

**DEVELOPMENT AGREEMENT
BETWEEN
CITY OF LAS VEGAS
AND
KYLE ACQUISITION GROUP, LLC**

Adopted by City of Las Vegas City Council

May 16, 2007

THIS DEVELOPMENT AGREEMENT is made and entered into this _____ day of _____, 2007 by and between the **CITY OF LAS VEGAS**, a municipal corporation of the State of Nevada ("City") and **KYLE ACQUISITION GROUP, LLC**, a Nevada limited liability company ("Master Developer").

RECITALS

A. City has authority, pursuant to NRS Chapter 278 and Title 19 of the Code, to enter into development agreements such as this Agreement, with persons having a legal or equitable interest in real property to establish long-range plans for the development of such property.

B. Master Developer acknowledges that it is the legal owner of the Property described on Exhibit "A" attached hereto. Master Developer and City desire to enter into this Agreement in conformance with the requirements of NRS Chapter 278, and as otherwise permitted by law.

C. The parties acknowledge that this Agreement will further the goals and values of City as provided by (i) Resolution R-176-2004 adopted by the City Council, (ii) City's Centennial Hills Sector Plan and (iii) the Las Vegas 2020 Master Plan.

D. The parties further acknowledge that this Agreement will (i) provide for public services, public uses and urban infrastructure, (ii) promote the health, safety and general welfare of City and its inhabitants, (iii) minimize uncertainty in planning for and securing orderly development of the Property and surrounding areas, (iv) insure attainment of the maximum efficient utilization of resources within City at the least economic cost to its citizens, and (v) otherwise achieve the goals and purposes for which the laws governing development agreements were enacted.

E. As a result of the development of the Property, City will receive needed jobs, sales and other tax revenues, significant increases to its real property tax base and substantial improvements to the public infrastructure. City will additionally receive a greater degree of certainty with respect to the phasing, timing and orderly development of City infrastructure by a developer with significant economic resources and experience in the development process.

F. Master Developer understands and acknowledges that there are insufficient public services available in order to properly construct and populate the Community. Subject to the terms and conditions of this Agreement, Master Developer agrees to provide those necessary public services, facilities and infrastructure improvements on the Property and outside the Property as specifically provided for herein.

G. Master Developer desires to obtain reasonable assurances that it may develop the Community in accordance with the terms, conditions and intent of this Agreement. Master Developer's decision to enter into this Agreement and commence development of the Community is based on expectations of proceeding and the right to proceed with the Community in accordance with this Agreement and the Applicable Rules.

H. Master Developer further acknowledges that this Agreement was made a part of the record at the time of its approval by the City Council and that Master Developer agrees without protest to the requirements, limitations, and conditions imposed by this Agreement.

I. The City Council, having determined that this Agreement is in conformance with Resolution R-176-2004, the Centennial Hills Sector Plan and the Las Vegas 2020 Master Plan, and that all other substantive and procedural requirements for approval of this Agreement have been satisfied, and after giving notice as required by the relevant law, and after introducing this Agreement by ordinance at a public hearing on _____, and after a subsequent public hearing to consider the substance of this Agreement on _____, the City Council found this Agreement to be in the public interest and lawful in all respects, and approved the execution of this Agreement by the Mayor of the City of Las Vegas.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION ONE DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

"Affiliate" of any person means (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person and (b) any other Person that beneficially owns at least fifty percent (50%) of the voting common stock or partnership interest or limited liability company interest, as applicable, of such Person. For the purposes of this definition, "control" when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, partnership interests, by contract or otherwise; and the terms "controlling" or "controlled" have meanings correlative to the foregoing.

"Agreement" means this development agreement and at any given time includes all addenda and exhibits incorporated by reference and all amendments which hereafter are duly entered into in accordance with the terms of this Agreement.

"Applicable Rules" means and refers to:

(a) The provisions of the Code and all other uniformly-applied City rules, policies, regulations, ordinances, laws, general or specific, which were in effect on the Effective Date;

(b) This Agreement;

(c) The Design Guidelines; and

(d) The term "Applicable Rules" does not include:

(i) Any ordinances, laws, policies, regulations or procedures adopted by a governmental entity other than City;

(ii) Any fee or monetary payment prescribed by City ordinance which is uniformly applied to all development and construction subject to the City's jurisdiction; or

(iii) Any applicable state or federal law or regulation.

"BLM" means: the Bureau of Land Management.

"Building Codes" means the following codes: 2006 International Residential Code; 2006 International Building Code; 1997 Uniform Administrative Code; 2006 Pool Code; 2006 Uniform Plumbing Code; 2005 National Electric Code; 2006 Uniform Mechanical Code; 2006 International Energy Conservation Code; and National Fire Protection Agency 1, to the extent adopted by the City and subject to any modifications that are adopted by the City.

"CCRFCD" means the Clark County Regional Flood Control District.

"CCSD" means the Clark County School District.

"City" means the City of Las Vegas, together with its successors and assigns.

"City Council" means the Las Vegas City Council.

"City Infrastructure Improvement Standards" means in their most recent editions and with the most recent amendments adopted by the City, the Standard Drawings for Public Works Construction Off-site Improvements, Clark County, Nevada; Uniform Standard Specifications for Public Works Construction Off-site Improvements, Clark County, Nevada; Uniform Regulations for the Control of Drainage and Hydrologic Criteria and Drainage Design Manual, Clark County Regional Flood Control District; Design and Construction Standards for Wastewater Collection Systems of Southern Nevada; and any other engineering, development or design standards and specifications adopted by the City Council. The term includes standards for public improvements and standards for private improvements required under Title 18. The term does not include the Kyle Canyon engineered drawings contained in the Design Guidelines.

"Code" means the Las Vegas Municipal Code, including all ordinances, rules, regulations, standards, criteria, manuals and other references adopted therein.

"Community" means the Property and any and all improvements provided for or constructed thereupon.

"Dedicated Staff" means all of the individuals identified in Section 3.06(b).

"Designated Builder" means any legal entity that owns any parcel of real property within the Community, provided that such entity is designated as such by Master Developer to City Manager in writing. For purposes of the Applicable Rules, the term "Designated Builder" is intended to differentiate between the Master Developer and any other entity, including an Affiliate, partner or corporation related to Master Developer except to the extent that Master Developer engages in the development of a structure or other improvements on a Development Parcel within the Community, in which case Master Developer shall so notify the City Manager in writing.

"Designated Builder Parcel" means any real property within the Community owned by a Designated Builder.

"Design Guidelines" means the document prepared by Master Developer and reviewed and approved by City as a part of this Agreement, which is fully incorporated herein.

"Development Parcels" means legally subdivided parcels of land within the Community that are intended to be developed or further subdivided.

"Development Phase" means each of those portions of the Property described on Exhibit "B" hereto.

"Director of Planning" means the Director of the City's Planning and Development Department or her designee.

"Director of Public Works" means the Director of the City's Department of Public Works or his designee.

"DWR" means the State of Nevada Division of Water Resources.

"Effective Date" means the date, on or after the adoption by City of an ordinance approving the execution of this Agreement, and the subsequent execution of this Agreement by the Parties, on which this Agreement is recorded in the Office of the County Recorder of Clark County. Each party agrees to cooperate as requested by the other party to cause the recordation of this Agreement without delay.

"Entitlement Request" means a request by Master Developer or a Designated Builder for any land use approval including, without limitation, a tentative or final subdivision map.

"Fire Station" means a building used for fire personnel and equipment.

"Fire Station Site" means property owned or controlled by the City at the southwest corner of Grand Teton and Hualapai.

"Grading Plan, Master Rough" means a plan or plans prepared by a Nevada-licensed professional engineer, to:

- (a) Specify areas of less than two hundred (200) acres in size where the Master Developer intends to perform rough grading operations;
- (b) Identify existing elevations and features that are to be preserved within the Community and do so at a drawing scale not to exceed one hundred feet (100') per inch;
- (c) Identify approximate future elevations and slopes of roadways, paseos, Development Parcels, open space, and drainage areas;
- (d) Identify rough design elevations on a two hundred foot (200') grid, and at street intersections, at pod boundaries and at drainage basin boundaries, or more frequently; and
- (e) Identify locations and heights of potential stock piles.

The Master Rough Grading Plan shall be reviewed by the Director of Public Works for conformance to the grading and drainage aspects of the approved Master Drainage Study and the Director of Planning and Development shall consider the plan for the aesthetic aspects of the plan. The intent of the document is to establish rough grade elevations for both roadways and Development Parcels such that significant unanticipated grade and earthwork differences do not occur at the time of development of individual subdivisions.

"Grading Plan Specific", which accompanies the Technical Drainage Study, means a detailed grading plan for a development site within the Community to further define the grading within residential or commercial subdivision sites as identified in the Master Rough Grading Plan to a level of detail sufficient to support construction drawings, in accordance with the CCRFCD Hydrologic Criteria and Drainage Design Manual.

"LVVWD" means the Las Vegas Valley Water District.

"Master Developer" means KYLE ACQUISITION GROUP, LLC, a Nevada limited liability company, and its successors and assigns as permitted by the terms of this Agreement.

"Master Drainage Study" means the comprehensive hydrologic and hydraulic study conditionally approved by the Director of Public Works on January 22, 2007 and incorporated in its entirety herein as Exhibit "G".

"Master HOA" means a unit-owners' association organized pursuant to NRS 116.3101, that is comprised of owners of residential dwelling units in the Community.

"Master Land Use Plan" means the approved site plan for the Community, which is Figure 2-1 of the Design Guidelines.

"Master Sanitary Sewer Study" means the comprehensive study conditionally approved by the Director of Public Works on May 8, 2007 and incorporated in its entirety herein as Exhibit "G".

"Master Studies" means the Master Traffic Study, the Master Drainage Study, and the Master Sanitary Sewer Study.

"Master Traffic Study" means the comprehensive study conditionally approved by the Director of Public Works on May 8, 2007 and incorporated in its entirety herein as Exhibit "G".

"Master Utility Improvements" means those water, sanitary sewer, storm water drainage, power, street light and natural gas improvements within and directly adjacent to the Property necessary to serve

the proposed development of the Community other than those utility improvements to be located within individual Development Parcels. All public sewer and public drainage easements located outside of public right-of-way must be within common lots of the Master Developer or of the Designated Builder Parcels.

"Master Utility Plan" means a conceptual depiction of all existing and proposed utility alignments, easements or otherwise, within and directly adjacent to the Property necessary to serve the proposed development of the Community, other than those utility improvements to be located within individual Development Parcels. The Master Developer shall align all proposed utilities within proposed public rights-of-way and dedicate such rights-of-way to the City before granting utility easements to specific utility companies, except easements for existing Nevada Power facilities constructed pursuant to BLM grants, and easements necessary for existing and future LVVWD water transmission mains.

"Metro" means the Las Vegas Metropolitan Police Department.

"NRS" means the Nevada Revised Statutes, as amended from time to time.

"Off-Property" means outside of the physical boundaries of the Property.

"Off-Property Improvements," as this definition relates to the Master Studies, means infrastructure improvements located outside the Property boundaries required by the Master Studies or other governmental entities to be completed by the Master Developer due to the development of the Community.

"On-Property" means within the physical boundaries of the Property.

"On-Property Improvements," as this definition relates to the Master Studies, means infrastructure improvements located within the Property boundaries required by the Master Studies or other governmental entities to be completed by the Master Developer due to the development of the Community.

"Off-Site Improvements" means any and all improvements necessary for a discrete parcel of property as required by the Applicable Rules.

"Parent Map, Tentative" means a preliminary subdivision map of the Property that is the first discretionary request by the Master Developer to legally subdivide the Property pursuant to the provisions of NRS 278 and Title 18 of the Code. Such map shall delineate all areas to be subdivided, including roadways and related necessary rights-of-way, easements and common areas.

"Parent Map, Final" means a final subdivision map of the Property prepared in accordance with any and all conditions of the approved Tentative Parent Map, NRS 278 and Title 18 of the Code that acts to legally subdivide the Property.

"Parks Agreement" means that agreement between Master Developer and City identifying the rights, duties and obligations of Master Developer and City as to the design, construction and maintenance of public open space, parks, trails and other recreation amenities to be developed within the Community. The Parks Agreement was approved by the City Council on _____, 200__, and is fully incorporated herein.

"Party," when used in the singular form, means either Master Developer or City and in the plural form of "Parties" means both Master Developer and City.

"Planning Commission" means the City of Las Vegas Planning Commission.

"Planning Department" means the Planning and Development Department of City.

"Property" means that certain 1,712± gross acres of unimproved real property which is the subject of this Agreement. The legal description of the Property is set forth at Exhibit "A".

"RTC" means the Regional Transportation Commission of Southern Nevada.
"SNHD" means the Southern Nevada Health District.

"Standard Improvements" as this definition relates to Section Five, herein, means any and all Off-Site Improvements including, but not limited to, streets, sewers, sidewalks, curbs, gutters, storm drains streetlights and trails required in the Parks Agreement.

"Subdivision Map" means any instrument under NRS and Title 18 of the Code which legally subdivides property or gives the right to legally subdivide property, including, without limitation, parcel maps, division of land into large parcels, Tentative and Final Parent maps, tentative commercial subdivision maps, final commercial subdivision maps, reversionary maps, condominium subdivision maps, or tentative or final residential subdivision maps, for all or a portion of the Community.

"Sub-HOA" means a unit-owners' association organized pursuant to NRS 116.3101, that is comprised of owners of residential dwelling units in the Community and is subordinate to the Master HOA.

"Technical Drainage Study" means: a comprehensive hydrologic study prepared under the direction of and stamped by a Nevada-licensed professional engineer, to:

- (a) Estimate the impact of storm water run-off affecting a Development Parcel from on-property and off-property sources;
- (b) Estimate the impact of any storm water run-off that will affect down-stream off-property real property;
- (c) Identify the impacts of any storm water run-off that will affect the Development Parcel; the on-property proposed drainage facilities and patterns and any off-property drainage facilities and patterns;
- (d) Identify the means and methods necessary to mitigate such impact, including a commitment to implement, or pay for such mitigating improvements within a specified time frame; and
- (e) Identify the future elevations of roadways.

The Technical Drainage Study shall be approved by the Director of Public Works.

"Telecommunication Facility" means a wireless tower or antenna.

"Term" means the term of this Agreement.

"Village Street" means any of those roadways identified as Village Streets and which Master Developer is obligated to construct pursuant to the Master Traffic Study, together with associated curb, gutter, underground utility improvements including fiber optic interconnect, streetlights, traffic control signs and signals other than those for which a fee was paid pursuant to Ordinance 5644, sidewalk or trail and landscaping as indicated on the appropriate cross section in the Design Guidelines. Prior to installation of the final lift of asphalt, Designated Builders may have access for Designated Builder Parcel underground utility connections.

SECTION TWO APPLICABLE RULES AND CONFLICTING LAWS

2.01 Reliance on the Applicable Rules. City and Master Developer agree that Master Developer will be permitted to carry out and complete the development of the Community in accordance with the terms of this Agreement and the Applicable Rules. The terms of this Agreement shall supersede any conflicting provision of the City Code except as provided in Section 2.02 below.

2.02. Application of Subsequently Enacted Rules by the City. The City shall not amend, alter or change any Applicable Rule as applied to the development of the Community, or apply a new fee, rule regulation, resolution, policy or ordinance to the development of the Community, except as follows:

(a) The development of the Community shall be subject to the Building Codes in effect at the time of issuance of the permit for the particular development activity.

(b) The application of a new uniformly-applied rule, regulation, resolution, policy or ordinance to the development of the Community is permitted, provided that such action is necessary to protect the health, safety and welfare of City residents, and provided that City gives Master Developer written notice 30 days prior to implementing a new policy.

(c) Nothing in this Agreement shall preclude the application to the Community of new or changed rules, regulations, policies, resolutions or ordinances specifically mandated and required by changes in state or federal laws or regulations. In such event, the provisions of Section 2.04 to 2.06 of this Agreement are applicable.

(d) Should the City adopt or amend rules, regulations, policies, resolutions or ordinances and apply such rules to the development of the Community, other than pursuant to one of the above Sections 2.02(a), 2.02(b) or 2.02(c), the Master Developer shall have the option, in its sole discretion, of accepting such new or amended rules by giving written notice of such acceptance. City and the Master Developer shall subsequently execute an amendment to this Agreement evidencing the Master Developer's acceptance of the new or amended ordinance, rule, regulation or policy within a reasonable time.

2.03. Application of New Fees. Notwithstanding Section 2.02 above, City may increase fees imposed by Ordinance 5644, cost-based processing fees, entitlement processing fees, inspection fees, plan review fees, facility fees, water connection fees or sewer connection fees that uniformly apply to all development in City.

2.04 Conflicting Federal or State Rules. In the event that any federal or state laws or regulations prevent or preclude compliance by City or Master Developer with one or more provisions of this Agreement or require changes to any approval given by City, this Agreement shall remain in full force and effect as to those provisions not affected, and:

(a) Notice of Conflict. Either Party, upon learning of any such matter, will provide the other party with written notice thereof and provide a copy of any such law, rule, regulation or policy together with a statement of how any such matter conflicts with the provisions of this Agreement; and

(b) Modification Conferences. The Parties shall, within thirty (30) calendar days of the notice referred to in the preceding subsection, meet and confer in good faith and attempt to modify this Agreement to bring it into compliance with any such federal or state law, rule, regulation or policy.

2.05 City Council Hearings. In the event either Party believes that an amendment to this Agreement is necessary due to the effect of any federal or state law, rule, regulation or policy, the proposed amendment shall be scheduled for hearing before the City Council. The City Council shall determine the exact nature of the amendment necessitated by such federal or state law or regulation. Master Developer shall have the right to offer oral and written testimony at the hearing. Any amendment ordered by the City Council pursuant to a hearing contemplated by this Section 2.05 is subject to judicial review, but such review shall be filed within twenty-five (25) calendar days from the date of the hearing. The Parties agree that any matter submitted for judicial review shall be subject to expedited review in accordance with Rule 2.15 of the Eighth Judicial District Court of the State of Nevada.

2.06 City Cooperation. City shall cooperate with Master Developer in securing any City permits, licenses or other authorizations that may be required as a result of any amendment resulting from actions initiated under Section 2.05. As required by the Applicable Rules, Master Developer shall be responsible to pay all applicable fees in connection with securing of such permits, licenses or other authorizations.

SECTION THREE PLANNING AND DEVELOPMENT OF THE COMMUNITY

3.01. Permitted Uses, Density, Height and Size of Structures. Pursuant to NRS Chapter 278, this Agreement must set forth the maximum height and size of structures to be constructed in the Community, the density of uses and the permitted uses of the land for each parcel within the Community.

(a) Maximum Units Permitted. The number of dwelling units within the Community shall not exceed sixteen thousand (16,000).

(b) Permitted Unit Types. The types of buildings and dwelling units permitted in the Community are as set forth in the Design Guidelines.

(c) Density. The maximum density permitted on the Property shall be as set forth in the Kyle Canyon Residential Land Use Table and the related Planning Area Map, both of which are attached as Exhibit "F" to this Agreement and incorporated fully herein. Master Developer shall have the right to determine the number of residential dwelling units to be developed on any Development Parcel so long as all the terms and conditions of the Design Guidelines that relate to product density and product type are adhered to.

(d) Maximum Height and Size of Structures. Except as provided in Section 3.21, the maximum height and size of structures within the Community is as set forth in the Design Guidelines.

(e) Land Uses. City acknowledges and agrees that the land use categories allowed within the Community are designated on the Master Land Use Plan and the uses permitted within each category are as described in this Agreement and the Design Guidelines. The Design Guidelines specifically delineate permitted uses, conditional uses and special uses within the Community.

3.02 Phasing of Construction.

(a) Generally. While Master Developer has the sole discretion to decide upon the date that it commences development of the Community and any improvements therein, Master Developer agrees to construct certain improvements that are a direct public benefit within the periods of time set forth in this Section 3.02 and in the Parks Agreement.

(b) Phasing Map. Attached hereto as Exhibit "B" is a map of the Community that generally describes the phases of construction of the Community. The phases may be revised by Master Developer if these revisions are coordinated with the Director of Planning and Development and the Director of Public Works. Prior to the Effective Date, Master Developer will submit a draft phasing schedule to City.

(c) Phasing Schedule. Master Developer shall complete the construction of all Village Streets within a development phase as follows:

A minimum of two lanes of asphalt pavement on the Village Street providing the main access to a particular Designated Builder Parcel, and a working sanitary sewer connection shall be in place prior to final inspection of any dwelling units within that Designated Builder Parcel. Permanent improvements on all major access Village Streets shall be substantially constructed as determined by the Director of Public Works prior to issuance of any building permits beyond 50% of all units within that Designated Builder Parcel. In addition, a roadway network to the boundary of this Designated Builder Parcel must be completed such that both vehicular and pedestrian access is provided.

All off-site improvements adjacent to that Designated Builder Parcel shall be substantially constructed as determined by the Director of Public Works, prior to issuance of building permits beyond 75% of all units within that Designated Builder Parcel. The above thresholds notwithstanding, all adjacent

Village Streets shall be substantially complete as determined by the Director of Public Works within 24 months of the commencement of construction of such adjacent Village Streets. All required landscaping along streets adjacent to the Designated Builder Parcel will be complete within 2 months of the final inspection of the final unit in that Designated Builder Parcel.

(d) Site Grading. Master Developer and any Designated Builder may grade portions of the Property in conformance with the approved Master Drainage Study and applicable Development Parcel Technical Drainage Studies prior to approval of any additional drainage studies provided the Master Traffic Study has been approved, a Master Rough Grading Plan(s) has been approved for the area to be graded, and a completion bond has been posted with the City for the cost of the proposed grading. The completion bond will not exceed one million dollars (\$1,000,000.00) for each Master Rough Grading Plan (i.e. 200 acre area). This bond(s) will be released by the City after the work is substantially complete or after Technical Drainage Studies that address the same area of the Property have been approved, whichever occurs first.

(e) Parks. Master Developer shall commence the design and construction of all parks and trails in the Community in accordance with the terms of the Parks Agreement.

(f) Assumption of Responsibility by Multiple Contractors. Permits that are awarded by City for each approved plan set will be based on work to be performed by each contractor. If a plan set includes multiple facets or phases of construction, separate contractors can pull permits. In the event of multiple permits and separate contractors per approved plan, Master Developer will provide City with regular updates identifying the approved permits that have been awarded for each plan.

3.03. Modifications of Design Guidelines. Modifications are changes to the Design Guidelines that apply permanently to all development in the Community. The Parties agree that modifications of the Design Guidelines are generally not in the best interests of the effective and consistent development of the community, as the Parties spent a considerable amount of time and effort negotiating at arms-length to provide for the community as provided by the Design Guidelines. However, the Parties do acknowledge that there are special circumstances which may necessitate the modification of certain provisions of the Design Guidelines to accommodate unique situations which are presented to the Master Developer upon the actual development of the community. Further, the Parties agree that modifications of the Design Guidelines can change the look, feel and construction of the community in such a way that the original intent of the Parties is not demonstrated by the developed product. To that end, the Parties also agree that the only proper entity to request a modification of the Design Guidelines is the Master Developer entity itself, and not a Designated Builder or any other purchaser of real property within the community.

(a) Applicant. Requests for all modifications of the Design Guidelines may be made only by Master Developer.

(b) Minor Modifications. Minor Modifications are changes to the Design Guidelines that include:

- (i) changes in architectural styles, color palettes and detail elements.
- (ii) the addition of similar and complementary residential or commercial uses and architectural styles, color palettes and detail elements.
- (iii) changes in building materials.
- (iv) changes in landscaping materials, plant palettes, and landscaping detail elements.

(c) Submittal, Review, Decision, and Appeal.

- (i) An application for Minor Modification of the Design Guidelines may be made to

the Director of Planning for her consideration. The Director of Planning shall coordinate the City's review of the application and shall perform all administrative actions related to the application.

(ii) The Director of Planning may, in her discretion, approve a Minor Modification or impose any reasonable condition upon such approval. The Director of Planning shall issue a written decision within 30 business days of receipt of the application. Her decision is final unless it is appealed by the Master Developer pursuant to Section (iii) below. Applications for which no written decision is issued within 30 days shall be deemed approved. If the Director of Planning rejects a request for a Minor Modification, the request shall automatically be deemed a Major Modification, and at the option of the Master Developer, the decision of the Director of Planning may be appealed to the Planning Commission.

(iii) Master Developer may appeal any decision of the Director of Planning to the Planning Commission by providing a written request for an appeal within 10 business days of receiving notice of the decision. The Planning Commission shall hear such appeal within thirty (30) days.

(iv) Master Developer may appeal any action of the Planning Commission by providing a written request for an appeal within ten (10) business days of the Planning Commission action. The City Council shall hear such appeal within thirty (30) days.

(d) Major Modifications.

(i) Any application for a modification to the Design Guidelines that does not qualify as a Minor Modification is a Major Modification. All applications for Major Modifications shall be heard by the Planning Commission within forty five (45) days of either the City's receipt of the application or its receipt of the appeal provided for in Section (c) above, whichever is applicable.

(ii) Prior to Planning Commission consideration of a Major Modification that increases density in the Community the Master Developer shall meet and confer with the Director of Public Works or his designee as to whether an update to the Master Studies is required. If the Director of Public Works or his designee requires an update to one or more of the Master Studies, such update shall be prepared by Master Developer and submitted to the Department of Public Works no later than fifteen (15) business days prior to the Planning Commission hearing

(iii) All actions by the Planning Commission on Major Modifications shall be heard by the City Council within thirty (30) days of such action.

3.04 Deviation to Design Guidelines. A deviation is an adjustment to a particular requirement of the Design Guidelines for a particular Designated Builder Parcel or lot.

(a) Minor Deviation. A Minor Deviation must not have a material and adverse impact on the overall development of the Community and may not exceed ten percent (10%) of a particular requirement delineated by the Design Guidelines. An application for a Minor Deviation may only be made under the following circumstances:

1) A request for deviation from any particular requirement delineated by the Design Guidelines on ten percent (10%) or less of the lots in a Designated Builder Parcel; or

2) A request for deviation from the following particular requirements on greater than 10% of the lots in a Designated Builder Parcel or on an entire Designated Builder Parcel:

- a) Changes in architectural styles, color palettes and detail elements.
- b) The addition of similar and complementary residential or commercial uses and architectural styles, color palettes and detail elements.
- c) Changes in building materials.

d) Changes in landscaping materials, plant palettes, and landscaping detail elements.

e) Setback encroachments for courtyards, porches, miradors, casitas, architectural projections as defined by 3.5 of the Design Guidelines, garages and carriage units.

f) Height of courtyard walls.

(i) Administrative Review Permitted. An application for a Minor Deviation may be filed by the Master Developer or a Designated Builder as provided herein. Any application by a Designated Builder must include a written statement from the Master Developer that it either approves or has no objection to the request.

(ii) Submittal, Review and Appeal

(1) An application for a Minor Deviation from the Design Guidelines may be made to the Director of Planning for her consideration. The Director of Planning shall coordinate the City's review of the application and shall perform all administrative actions related to the application.

(2) The Director of Planning may, in her discretion, approve a Minor Deviation or impose any reasonable condition upon such approval. The Director of Planning shall issue a written decision within thirty (30) business days of receipt of the application. Her decision is final unless it is appealed by the Master Developer pursuant to Section (3) below. Applications for which no written decision is issued within 30 days shall be deemed approved.

(3) Master Developer or Designated Builder may appeal any decision of the Director of Planning to the Planning Commission by providing a written request for an appeal within 10 business days of receiving notice of the decision. The Planning Commission shall hear such appeal within thirty (30) days.

(4) Master Developer or Designated Builder may appeal any action of the Planning Commission by providing a written request for an appeal within ten (10) business days of the Planning Commission action. The City Council shall hear such appeal within thirty (30) days.

(b) Major Deviation. A Major Deviation must not have a material and adverse impact on the overall development of the Community, may exceed ten percent (10%) of any particular requirement delineated by the Design Guidelines but may not exceed ten percent (10%) of the lots in a Designated Builder Parcel.

(i) City Council Approval Required. An application for a Major Deviation may be filed by the Master Developer or a Designated Builder as provided herein. Any application by a Designated Builder must include a written statement from the Master Developer that it either approves or has no objection to the request.

(ii) Submittal, Review and Approval.

(1) All applications for Major Deviations shall be heard by the Planning Commission within forty five (45) days of the City's receipt of the application.

(2) All actions by the Planning Commission on Major Deviations shall be scheduled for a hearing by the City Council within thirty (30) days of such action.

(c) If Master Developer or Designated Builder requests a deviation from adopted City Infrastructure Improvement Standards or the Kyle Canyon Engineered Details, an application for said deviation shall be submitted to the Land Development Section of the Department of Public Works and related fees paid for consideration by the City Engineer pursuant to the Applicable Rules.

(d) Any request for deviation other than those specifically provided shall be processed pursuant

to Section 3.03 (Modifications of Design Guidelines).

3.05. Entitlement Requests.

(a) Generally. City agrees to cooperate reasonably with Master Developer to:

(i) Expediently process all Entitlement Requests in connection with the Property that are in compliance with the Applicable Rules and Master Studies; and

(ii) Subject to reasonable conditions not otherwise in conflict with the Applicable Rules or the Master Studies, promptly consider the approval of Entitlement Requests.

(b) Required Zoning Entitlement for Property. The Parties acknowledge and agree that the proper means to legally entitle the Property for eventual development is by way of the Master Developer's application and for a Traditional Development (TD) Zoning Classification and an approved Traditional Development Community Program for the Property in accordance with Title 19.06.160 of the Code.

The City Council finds that this Agreement, together with the exhibits and attachments, which include the Master Land Use Plan, the Design Guidelines, and the Master Studies fulfill and accomplish the required submittals pursuant to the TD zoning district and shall be the basis of any approvals granted to the Master Developer under a TD zoning district application.

(c) Other Entitlement Requests. Except as provided herein including the requirements of Section 7.05, all other Entitlement Request applications shall be processed by City according to the Applicable Rules. The Parties acknowledge that the procedures for processing such Entitlement Request applications are governed by the Code. In addition, any additional application requirements delineated herein shall be supplemental and in addition to such Code requirements.

(i) Parent Tentative Map. Master Developer shall satisfy all Code requirements and the following conditions precedent before filing an application for consideration of a Parent Tentative Map:

(1) Conditional approval of all Master Studies;

(2) Submittal of an exhibit acknowledging that all parcels within the Property, including those parcels "Not a Part" have, or will be provided legal access; and

(3) Submittal of a Master Utility Plan.

(4) The Parent Tentative Map shall show all additional right-of-way for turn lanes and bus turnouts required by the Master Traffic Study, and such additional rights-of-way shall be dedicated on the Parent Final Map unless an update to the approved Master Traffic Study is submitted to and approved by the Department of Public Works that shows that specific additional rights-of-way are not required. Comply with the recommendations of the approved Master Traffic Study update prior to occupancy of the site. If additional rights-of-way are not required and Traffic Control devices are or may be proposed within or adjacent to this site outside of the public right of way, all necessary easements for the location and/or access of such devices shall be granted on the Parent Final Map. Phased compliance will be allowed if recommended by the approved Master Traffic Study. No recommendation of the approved Master Traffic Study, nor compliance therewith, shall be deemed to modify or eliminate any condition of approval imposed by the Planning Commissioner or the City Council on the development of this site.

(ii) Parent Final Subdivision Map. Master Developer shall satisfy all Code requirements before filing an application for consideration of a Parent Final Subdivision Map; provided that upon City approval of a Special Improvement District or upon posting of a bond for offsite roadway improvements that are adjacent to the Property, the requirements of Chapter 18.26.010 and Chapter 18.26.020 shall be deemed to be satisfied. The above noted bond will be relinquished by the City upon funding of a Special Improvement District. Prior to complete allocation of the funds available from the

Special Improvement District, the Master Developer will be required to bond for the improvements that remain to be completed in accordance with the terms of the Special Improvement District Agreement.

City agrees that the Parent Final Subdivision Map for the entire Property shall be processed and recorded pursuant to the following schedule:

Parent Final Subdivision Map Processing Schedule

	<u>Duration</u>
Submittal of Parent Final Maps (East and West) to City	0 Weeks
City Blueline Technical Review (Workshop and Public Hearing - See Note 1)	5.5 Weeks
Address City Comments	4 Weeks
City Second Review (in response to Blueline Comments) (Builder Tentative Subdivision Map Submittal – See Note 2)	3 Weeks
Address City Comments	2.5 Weeks
Obtain LVWWD, SNHD, & DWR Signatures	2 Weeks
Submit Mylars to City	0 Weeks
City Signatures	2 Weeks
County Recorder Review & Recordation	1 Week
TOTAL DURATION	20 Weeks(See Note 3)

Notes:

1) Upon completion of the Blueline Technical Review, the City of Las Vegas will provide a summary of comments and immediately schedule a workshop with the builder ("Workshop") that will be held within ten (10) days of completion of the City Blueline Technical Review and will be attended by the City staff members that are responsible for the comments provided to the Master Developer. The City will also schedule a hearing by the City Council within thirty (30) days of the Blueline Technical Review. The Master Developer may elect to forego the hearing if the Master Developer agrees to the conditions of approval recommended by the City.

2) The City will accept submittals of tentative subdivision maps for Designated Builder Parcels for review and approval upon the concurrent submittal of the Parent Final Map(s) in response to the comments provided as a result of the City Blueline Technical Review.

3) The Master Developer and City recognize that the Total Duration shown may change if the Master Developer elects to pursue the hearing as discussed in Note 1.

(iii) Tentative Subdivision Map. Master Developer and/or Designated Builders shall satisfy all Code requirements for filing of an application for consideration of a tentative subdivision map, except that, notwithstanding any Code requirements to the contrary, Master Developer and/or Designated Builders may submit tentative subdivision maps concurrent with the submittal for the City's second review of the Parent Final Map as described in Section 3.06.

(iv) Site Development Plan Review. Master Developer and/or Designated Builders shall satisfy all Code requirements for the filing of an application for a site development plan review except that, notwithstanding any Code requirements to the contrary, Master Developer and/or Designated Builders may submit an application for site development plan review for an establishment offering non-restricted gaming, a Gaming Enterprise District and public infrastructure facilities such as power substations prior to recordation of a Parent Final Subdivision Map. The Parties further agree that:

(1) City staff shall consider and make a decision with respect to any application for a Site Development Plan within thirty (30) days of receipt of the application.

(2) Any appeal of an adverse decision on a site development plan review

shall be scheduled for a hearing before the City Council within forty-five (45) days of City's receipt of the application for appeal.

(v) Special Use Permits. Master Developer and/or Designated Builders shall satisfy all Code requirements for the filing of an application for a special use permit except that, notwithstanding any Code requirements to the contrary, Master Developer and/or Designated Builders may submit an application for special use permits for an establishment offering non-restricted gaming, a Gaming Enterprise District and public infrastructure facilities such as power substations prior to recordation of a Parent Final Subdivision Map. The Parties further agree that:

(1) Except as otherwise provided in this Agreement and the Design Guidelines, special use permit applications shall be processed in accordance with Section 19.18.060 of the Code.

(2) City shall not accept any special use permit application without written verification that the Master Developer either approves of the application or has no objection thereto.

(3) City may approve any application required by the Code for an establishment offering non-restricted gaming or for a Gaming Enterprise District prior to the recordation of the Parent Final Map.

(vi) Gaming Enterprise District—Hotel/Casino. Master Developer acknowledges that there are certain Entitlement Request applications that must be considered by the City Council before an establishment offering non-restricted gaming may be constructed and operated within the Community. City acknowledges that Master Developer may apply for a Gaming Enterprise District designation in accordance with NRS 463.3086 and the Code to allow a non-restricted gaming establishment within the Community. City recognizes that non-restricted gaming establishments have been appropriately included and developed in other master-planned communities throughout the City and Clark County, and City acknowledges that the Community may be an appropriate location for a non-restricted gaming establishment as well. A hotel or appurtenant structure associated with a non-restricted gaming establishment shall be no greater than 160 feet in height.

3.06. Dedicated Staff and the Processing of Applications.

(a) Processing Fees, Generally. All Entitlement Requests, Minor or Major Modification Requests and all other requests related to the development of the Community shall pay the fees as provided by the Code.

(b) Dedicated Staff. City will designate at least one person in the various City departments to be knowledgeable and available for processing matters related to the Community. Such person will be familiar with the Community, including without limitation, the Applicable Rules. The following City departments and divisions will have such a person so designated:

- (i) Department of Planning and Development;
- (ii) Building and Safety Department;
- (iii) Public Works Department;
- (iv) Right-of-Way Section of the Department of Public Works;
- (v) Traffic Division of the Department of Public Works;
- (vi) Flood Control Section of the Department of Public Works;
- (vii) Collection System Planning Section of the Department of Public Works;
- (viii) Such other City Departments, divisions or agencies as may be necessary to

process applications related to the Community; and

(ix) Surveying Section of the Department of Public Works; and

(x) The Coordinator (defined below).

(c) Meetings. The Dedicated Staff will be available for individual construction document and construction progress meetings with Master Developer as requested by Master Developer.

(d) Processing.

(i) The City acknowledges the Master Developer's need to have expeditious reviews of all studies, maps, plans, applications for permits and other authorizations for development of and within the Community (collectively, the "Applications").

(ii) The Master Developer agrees to provide the City with a master Schedule (as defined herein) setting forth expected dates of submission for Applications for the Community. The master Schedule shall be complete for all anticipated Applications, and may be used by the City to plan and adjust its staffing capacity accordingly. The Master Developer shall provide the City with periodic, but not less than quarterly, updates of the master Schedule providing additional Applications, changed submission dates, and reflecting Applications already submitted to City, throughout the development of the Community.

(iii) The City and Master Developer agree that the schedule ("Schedule") set forth below is a reasonable estimate of time for the City to process Applications, and shall constitute the targeted time for City to review Applications of the type listed. The Schedule is expressed in Business Days (bd) from the date of submittal:

	Category	1 st Review	2 nd Review	3 rd Review *	Mylar/Map Signature
1.	Master Drainage Study updates, Master Rough Grading Plans and Technical Drainage Studies	10 bd	10 bd	5 bd	N/A
2.	Traffic Studies	20 bd	15 bd	5 bd	N/A
3.	Civil Improvement Plans **	20 bd	15 bd	5 bd	10 bd
4.	Final Maps	20 bd	10 bd	5	10 bd
5.	Parcel Maps	20 bd	10 bd	N/A	10 bd
6.	Boundary Line Adjustments	20 bd	10 bd	N/A	10 bd
7.	Reversionary Maps	20 bd	10 bd	N/A	10 bd
8.	Single Family-Standard Plans	10 bd	10 bd	5 bd	
9.	Single Family - Production Homes	10 bd	5 bd	10 bd	
10.	Single Family – Custom	10 bd	10 bd	10 bd	
11.	Apartments – Model Plans	10 bd	10 bd	10 bd	
12.	Apartments – Production Plans	10 bd	10 bd	10 bd	
13.	Condo-Standard Plans	10 bd	10 bd	10 bd	
14.	Condo – Model Plans	10 bd	10 bd	10 bd	
15.	Condo – Production Plans	10 bd	10 bd	10 bd	
16.	New Commercial (< 2.5k sf)	10 bd	10 bd	10 bd	
17.	Assembly - Restaurants	10 bd	10 bd	10 bd	

	Category	1 st Review	2 nd Review	3 rd Review *	Mylar/Map Signature
18.	Assembly - Restaurants	10 bd	10 bd	10 bd	
19.	Commercial Shell Building	10 bd	10 bd	10 bd	
20.	Tenant Improvement (<2.5k sf)	10 bd	10 bd	10bd	
21.	Tenant Improvement (>2.5k sf)	10bd	10 bd	10 bd	
22.	Fire Sprinkler System	10 bd	5 bd	5 bd	
23.	Fire Alarm System	10 bd	5 bd	5 bd	

- *If 3rd or subsequent review is required
- ** Civil Improvement Plans, including plans for dry utilities, can be submitted concurrent with the application for second review of the technical drainage studies and traffic studies (if such studies are required).

(iv) The City reserves the right to extend the Schedule for unusually large or complex Applications (i.e., pump stations, reservoirs, flood control facilities, mixed use projects, condominiums, and townhouses, etc.) subject to written or electronic (e-mail) notification within four (4) Business Days of the submittal and the provision of a target date for the completion of the review. Applications not listed in the Schedule shall be reviewed within a reasonable time frame as is agreed upon between the Parties.

(v) Master Developer acknowledges that submission of Applications in other than the proper sequence may delay the consideration of many related Applications. For backbone infrastructure, or for other processing as determined necessary by the Parties, the Parties will determine the proper sequence of submittals (as agreed upon, the "Alternative Schedule"). The City agrees to the review of Applications in accordance with the Schedule or the Alternative Schedule only if the Applications are submitted in the proper sequence. Proper sequence as used in this Section for submitting Applications:

(1) in accordance with the Schedule, is the order of submission of similar type applications as required by City as of the Effective Date; and

(2) in accordance with the Alternative Schedule, is the order as provided in the Alternative Schedule. Therefore, Master Developer agrees that Applications will be submitted in the proper sequence in order to avoid coordination problems with reviews.

(vi) City shall advise through the Coordinator the applicant's designee, whose name and standard and electronic (e-mail) address shall be provided to City with each Application, in writing or electronically within four (4) Business Days of a submittal if City is unable to complete processing the Application in the time required by the Schedule and Alternative Schedule; and City shall advise the applicant's designee of the Business Day when City reasonably believes it will complete processing of the Application. If the City projected completion date is more than five (5) Business Days later than the date required under the Schedule or the Alternative Schedule, the applicant shall have the option to either:

- (1) accept the alternative timeframe projected by City; or
- (2) request City to utilize the process described in Section (viii), below.

(vii) City shall assign one full time staff member to act as a central point of contact ("Coordinator") for all coordination and communication between the City and the Master Developer as to Applications. The Coordinator will be responsible for facilitating communications, providing Master Developer with notice of new uniformly applied policies in accordance with Section 2.02(b), advising applicants in accordance with sub-section (vi) above, and providing the Master Developer with periodic updates regarding the Schedule and issues that need to be resolved for the Community to stay on the Schedule. Master Developer agrees to compensate City for the Coordinator's services pursuant to a

separate dedicated coordinator reimbursement agreement with the City. If requested in writing by Master Developer, the City Manager shall designate a second Coordinator ("2nd Coordinator") within fourteen (14) Business Days of receipt of Master Developer's written request. Delivery of the written request by Master Developer to City shall constitute Master Developer's agreement to compensate City for the 2ndCoordinator's services as set forth in a second coordinator reimbursement agreement with the City. The 2nd Coordinator shall not commence work as 2nd Coordinator until the second coordinator reimbursement agreement is fully executed.

(viii) If City is unable to complete processing of an Application for which the Applicable Rules identify an express process in the time required by the Schedule, or an Alternative Schedule, the applicant may request review of the Application pursuant to the express civil plan check process in accordance with the Applicable Rules, except that the applicant may request a plan check to be scheduled concurrent with the application for second review of the technical drainage studies and traffic studies (if such studies are required).

(e) Dedicated Inspectors. City shall designate one full time construction inspector from the Offsite Inspection Testing division of the Department of Public Works that is dedicated exclusively to the Property once commencement of construction begins. The Master Developer shall annually reimburse City an amount equal to the difference, if any, between the inspection fees paid in connection with construction of infrastructure improvements on the Property and the full-time equivalent compensation package of the full-time inspector over the duration of the project.

If such inspector approves a portion of the project that also requires a utility company approval, final approval from Department of Public Works Offsite Inspection Testing to the Special Improvement District section for funding release will not be given until Master Developer provides a letter to Offsite Inspection Testing with a copy of the inspection approval memo from the said utility company. At the time proof of the utility company approved inspection is received, Offsite Inspection Testing shall have 10 business days to verify the work is completed and issue final approval notice to the Special Improvement District section. If an outside utility company inspection is not required, Offsite Inspection Testing shall have 10 business days to verify the work is completed and issue final approval notice to the Special Improvement District section. If it is determined that the work is not complete, Offsite Inspection Testing shall have 10 business days after being re-notified that the work is complete to issue final approval notice to the Special Improvement District Section.

(f) Designated Builders will be permitted to submit Applications for building permits for model homes earlier than would otherwise be required under the Applicable Rules upon compliance with the same requirements that City has traditionally imposed on developers for model homes building permits as of the Effective Date.

(g) Inspection Fees. Construction documents and plans that are prepared on behalf of Master Developer for water facilities such as water pumping stations, water reservoirs, water transmission mains, and water distribution mains, that are reviewed by City for approval, shall not require payment of inspection fees to City unless the water service provider agrees not provide those inspection services.

(h) Separation of Improvement Plans. The City recognizes that the Master Developer may choose to separate plans for review and approval by the City within a particular alignment into separate plans sets. This may include separate plans for sanitary sewer, potable water, streets and storm drain. The individual plan sets shall show all existing and proposed utility alignments.

3.07. Impact Statement as Required by Chapter 481, Statutes of Nevada 1999. The Impact Statement for Projects of Significant Impact within the Las Vegas Urban Growth Zone was timely submitted to City. City received and reviewed the Impact Statement and finds that it satisfies the statutory requirements. The Impact Statement is set forth herein at Exhibit "C."

3.08. Common Name for the Community. Master Developer shall establish a common name for the Community and shall disclose such proposed name to City, by written letter to City Manager. City acknowledges that Master Developer will devote substantial resources to promote such common name

and protect its value as a unique intellectual property right, which may include filing state and federal registrations for such name. The Parties therefore agree that Master Developer shall have the exclusive right to own, control and license the name. City shall have no obligation to police the use, wrongful or otherwise, of the name by third parties.

3.09. "Saw-tooth Street" Mitigation Required. Where "Not a Part" parcels exist within or adjacent to the Property, that are or will be developed outside of the Community framework, but are bounded on two (or more) sides by developments within the Community, and that result in a "saw-tooth street improvement" (as generally and customarily defined in the Las Vegas Valley) or a non-continuous roadway, Master Developer shall construct such improvements necessary to tie the roadways and any applicable sidewalks or trails together or eliminate the saw-tooth, whichever is necessary. If such construction is restricted due to a lack of available rights-of-way, City agrees to either obtain the necessary rights-of-way at no cost to Developer or relieve Master Developer of the requirement to construct such facilities.

3.10. Identity Monuments. Prior to the construction of any identity monuments on the Property, Master Developer shall submit for approval a plan which includes the design and placement of the identity monuments. Such plan shall be reviewed and acted upon by City within thirty (30) days of receipt by City. If the City does act within thirty (30) days, City shall be conclusively deemed to have approved the design and location of the monuments. Sign permits for such Identity Monuments may be issued at any time after approval. Any appeal by the applicant of an adverse decision shall be scheduled for a hearing before the City Council within forty-five (45) days of the City's receipt of the application for appeal.

3.11. Common Area Landscaping. All common area landscaping shall be designed and constructed in accordance with the Design Guidelines. Sidewalks, landscaping and other appurtenances within common areas shall be maintained by the Master HOA or a Sub-HOA, at Master Developer's option. Unless provided for in the Parks Agreement, all landscaping that is not the responsibility of a lot owner to maintain shall be maintained by the Master HOA or a Sub-HOA. City and Master Developer, Master HOA and/or Sub HOA shall enter into appropriate encroachment agreements to the City for the installation and maintenance of landscaping at no cost to the City. The parties agree that such right of encroachment is for the mutual benefit of the City, Master Developer and the Master HOA and any Sub-HOA. Master Developer shall have the right to assign such encroachment rights to the Master HOA and any Sub-HOA.

3.12. Streetlights. The Master Developer shall install an approved City standard streetlight. If the terrain and final grading within the Kyle Canyon development is such that pole height is required to vary from approved standards and is not stocked by the City, the Master Developer shall initially provide the following items to the City at no cost:

(a) a fully functional constructed storage yard in the Kyle Canyon area, of a size and location acceptable to the City Traffic Engineer, and

(b) provide replacement poles consisting of the various required heights equal to 3% of the number installed, replenished as needed annually for 10 years.

If the Master Developer proposes the use of non-standard streetlights that are acceptable to the City, the Master Developer shall enter into an agreement with the City in which the Master Developer agrees to participate in acquiring and supplying said streetlights and any associated specialized equipment. In the event a non-standard streetlight is approved, and is requested to be maintained by the City, the Master Developer shall initially provide the following items to the City at no cost:

(i) a fully functionally constructed storage yard in the Kyle Canyon area, of a size and location acceptable to the City Traffic Engineer, and

(ii) stock parts and poles for replacement of non-standard streetlight equipment equal to 3% of the number installed, replenished as needed annually for 10 years, and

(iii) any specialized equipment and vehicles required for the maintenance of the non-standard streetlights not already within the City's fleet of vehicles.

At the Master Developer's option, and with written approval from the City, hanging brackets may be installed on the standard streetlight poles that would support the placement of banners. If installed, repairs to the poles or brackets as a result of bracket installation, or damage from banners, etc. will be performed by the Master HOA. Prior to installation of banners, the banner mounting hardware must be approved by the City's Traffic Engineering Maintenance Section, in addition to certification and approval from the pole manufacturer as to the type of brackets, materials, mounting methods, size of banner and wind loading is required to maintain structural integrity of the poles and maintain any and all pole warranties and certifications. A certification letter stamped and signed by a registered Professional Engineer must be submitted to the Traffic Engineering Maintenance Section prior to approval for the banners.

For all public streetlights that are required to have varied pole height or length due to terrain and final grading, the Master Developer shall submit an "illumination study" to be approved by the Traffic/Electrical Field Operation Section that identifies streetlight spacing for lengths that include those affected streetlights. For non-standard streetlights, the Master Developer shall submit a comprehensive "illumination study" to be approved by the Traffic/Electrical Field Operation Section that identifies all streetlight equipment specifications and spacing. In addition to the Code requirements, each and every streetlight over seven feet from grade to its highest point (either on a light pole or attached to a structure), on City-dedicated public streets, on Homeowner Association-maintained private streets and any parking lots or parking structures shall be installed with "full cut-offs" to prevent illumination from spilling beyond the sidewalk and road areas to protect the view of the night sky.

3.13. Telecommunications Facilities. The Parties acknowledge that temporary and permanent Telecommunication Facilities are a necessary component to effective communication and will be necessary on the Property. The Parties agree that determining the appropriate location(s), number, and general appearance of Telecommunication Facilities as part of this Agreement will permit both the Master Developer and the City to appropriately plan the Community and will help minimize any potential conflicts or disputes that might arise in regard to permits for such facilities in the future. Therefore, the Parties agree that Telecommunication Facilities on the Property shall be subject to the following conditions:

(a) The Telecommunication Facilities must comply with Federal Communication Commission standards;

(b) Within six months of the recordation of the Final Parent Map, Master Developer shall submit a Telecommunications Facilities Map for consideration and approval by the Planning Commission and City Council to indicate the location of Telecommunication Facilities.

The Telecommunication Facilities shall be located on the property identified by the Telecommunication Facilities Map, subject to administrative review pursuant to the Code, unless otherwise indicated by the Design Guidelines, and in the case of facilities located on City-owned property, approval of lease from the City is required;

(c) The Telecommunications Facilities shall be architecturally compatible with the Design Guidelines and incorporate reasonable camouflaging/stealth techniques such as architecturally screened roof-mounted antennas or incorporation into flagpoles and the like;

(d) Master Developer shall use all reasonable efforts to ensure co-location of Telecommunication Facilities;

(e) Telecommunication Facilities shall not obstruct public safety communications and the usual and customary transmission of other communication services enjoyed by adjacent property owners; and

(f) Freestanding (stand alone) Telecommunications Facilities not located on City-owned

property shall not be in excess of seventy (70) feet in height and shall not be located within one hundred (100) feet of any residential lot.

3.14 Right-Of-Way Agreements For Optical Fiber. City shall permit the installation of optical fiber conduit and optical fiber, together with all necessary appurtenances in all City rights-of-way within the Property upon the proper execution of Right-Of-Way Agreement between the Master Developer, or its designee, and the City.

Such Right-Of-Way Agreement shall include, at a minimum, the following provisions: a phasing plan for such improvements; any such improvements to be constructed within the City's right-of-way shall be indicated and approved on civil improvement plans; any such improvements shall not exceed 120 feet in length within the public right-of-way, unless otherwise approved by the Director of Public Works; payment by the Master Developer or its designee of an initial fee of \$10,000.00 and a continuing annual fee of \$5,000.00, payment of which is to commence upon the installation of the first instance of optical fiber within the optical fiber conduit, and on every anniversary of the first installation thereafter; Master Developer to notify the Director of Public Works in writing of the first instance of installation of optical fiber; and an annual payment by the Master Developer of \$1.33 for each linear foot of conduit within the City's right-of-way, subject to annual adjustment based upon the Consumer Price Index, All Urban Consumers (CPI-U).

3.15. Blasting. Master Developer agrees to comply with all Code and City written policies as related to blasting.

3.16. Property Dedications to City. Except as provided in Section 7.05, any real property (and fixtures thereupon) transferred or dedicated to City or any other public entity shall be free and clear of any mortgages, deeds of trust, liens or encumbrances (except for any encumbrances that existed on the patent at the time it was delivered to Master Developer from the United States of America).

3.17. Anti-Moratorium. The Parties agree that no moratorium or future ordinance, resolution or other land use rule or regulation imposing a limitation on the construction, rate, timing or sequencing of the development of property including those that affect parcel or subdivision maps, building permits, occupancy permits or other entitlements to use land that are issued or granted by City shall apply to the development of the Community or portion thereof. Notwithstanding the foregoing, City may adopt ordinances, resolutions or rules or regulations that are necessary to:

- (a) comply with any state or federal laws or regulations as provided by Section 2.04, above;
- (b) alleviate or otherwise contain a legitimate, bona fide harmful and/or noxious use of the Property, in which event the ordinance shall contain the most minimal and least intrusive alternative possible, and shall not, in any event, be imposed arbitrarily; or
- (c) maintain City's compliance with non-City and state sewerage, water system and utility regulations.

In the event of any such moratorium, future ordinance, resolution, rule or regulation, unless taken pursuant to the three exceptions contained above, Master Developer shall continue to be entitled to apply for and receive consideration of Entitlement Requests and other applications contemplated in Section 3 in accordance with the Applicable Rules.

3.18. Additional Property Not Included Within Agreement. This Agreement does not authorize the development by Master Developer of additional property outside the boundaries of the Property (other than the addition of APN's 125-06-002-006, 125-06-002-005 and 125-06-002-007 and except to the extent that certain public facilities are explicitly referred to herein such as school sites, water facilities and fire stations) without an amendment to this Agreement.

3.19. Cooperation in Financing. City will execute and deliver within thirty (30) days of a written request from Master Developer, such documents as may be reasonably necessary to acknowledge that:

(a) City has no lien on the Property as a direct result of this Agreement, or disclosure of any City liens that exist; and

(b) City is not aware of a default of this Agreement by Master Developer or if it is in default of this Agreement, the specific ground(s) of default. Nothing herein shall be deemed to relieve Master Developer of its obligations under this Agreement or its liability for failure to perform its obligations under this Agreement.

3.20. Franchise Agreements. City warrants that it has entered into franchise agreements with all of the public utility companies that provide adequate utility services to the Property, specifically, Nevada Power Company, Embarq (aka, Sprint Central Telephone-Nevada), Southwest Gas Corporation, and Cox Communications.

3.21. Development in Town Center and Urban Mixed-Use.

(a) Master Developer shall submit to City for approval by the Planning Commission and City Council a set of design guidelines and development standards governing development in the Town Center and Urban Mix-Use land use categories ("The Town Center Standards"). The Town Center Standards shall include a requirement for commercial uses and be submitted prior to the earlier of:

- (i) 18 months from the Effective Date; or
- (ii) the issuance of the 3500th residential building permit.

(b) The City may withhold building permits for any permanent habitable structure within the Town Center and Urban Mixed-Use areas until The Town Center Standards have been approved by the City Council.

(c) Buildings in the Town Center area shall not exceed 160 feet in height, and buildings in the Urban Mixed-Use area shall not exceed 80 feet in height.

(d) Master Developer shall not apply to reduce the boundaries of, or to add single family detached housing as a permitted use in, the Town Center Mixed Use District for a period of five (5) years from the day the Town Center Standards are approved.

SECTION FOUR MAINTENANCE OF THE COMMUNITY

4.01 Maintenance of Public and Common Areas.

(a) Master Community HOA. Master Developer agrees to organize a Master HOA to manage and maintain sidewalk, common landscape areas, any landscaping within the street rights-of-way including median islands, private drainage facilities located within common elements, including but not limited to, rip-rap lined channels and natural arroyos as determined by the Master Drainage Study or applicable Technical Drainage Studies, but excluding City dedicated public streets, curbs, gutters, streetlights upon City-dedicated public streets, City owned traffic control devices and traffic control signage, all temporary detention basins identified in the Master Drainage Study and permanent flood control facilities as identified on the Regional Flood Control District Master Plan Update that are eligible for maintenance funding. The Master HOA shall be formed at the time of recordation of the Final Parent Map.

(b) Maintenance Obligations of the Master HOA and Sub-HOAs. Except as provided in the Parks Agreement, the Master HOA and the Sub-HOAs (which hereinafter may be referred to collectively as the "HOAs") shall be responsible to maintain in good condition and repair all common areas that are transferred to them for repair and maintenance (the "Maintained Facilities"), including, but not limited to all developed and undeveloped sidewalks, private streets, private alleys, private drives, landscaped areas,

parks and park facilities, trails, amenity zones, drainage facilities within Common Elements, sight visibility zones, and any landscaping in, on and around medians and public rights-of-way.

Master Developer acknowledges and agrees that common-interest communities will be created and governed by Declarations as such term is defined in NRS 116.037. Such Declarations will be recorded by Master Developer or Designated Builders as an encumbrance against the property to be governed by the appropriate HOA. In each case, the HOA shall have the power to assess the encumbered property to pay the cost of such maintenance and repair and to create and enforce liens in the event of the nonpayment of such assessments. Master Developer further agrees that such Declarations will contain a covenant running to the benefit of City, and enforceable by City, that such facilities will be maintained in good condition and repair. Such HOAs will be Nevada not-for-profit corporations with a board of directors elected by the subject owners, provided, however, that Master Developer may control the board of directors of such HOA for as long as permitted by applicable law.

(c) Such Declarations must be executed and recorded with the office of the Clark County Recorder, and shall include the following provisions, the form of which provisions is to be approved by the City:

(i) that the governing board of the HOA must have the power to maintain the Maintained Facilities;

(ii) that the plan described in Section 4.02 can only be materially amended by the HOA board with the written consent of City;

(iii) that the powers under the Declaration cannot be exercised in a manner that would defeat or materially and adversely affect the implementation of the Maintenance Plan; and

(iv) that in the event the HOA fails to maintain the Maintained Facilities in accordance with the provisions of the plan described in Section 4.02, City may exercise its rights under the Declaration, including the right of City to levy assessments on the property owners for costs incurred by City in maintaining the Maintained Facilities, which assessments shall constitute liens against the land and the individual lots within the subdivision which may be executed upon. City shall have the right to review the Declaration for the sole purpose of determining its compliance with the provisions of this Section 4.

4.02 Maintenance Plan. For park and common areas, maintained by an HOA the Declaration pursuant to this Section 4 shall provide for a plan of maintenance that contains provisions that substantially conform to those set forth in Exhibit "F" of the Parks Agreement.

4.03 Release of Master Developer. Following Master Developer's creation of HOAs to maintain the Maintained Facilities, and approval of the maintenance plan with respect to each HOA, City will hold each HOA responsible for the maintenance of the Maintained Facilities in each particular development covered by each Declaration and Master Developer shall have no further liability in connection with the maintenance and operation of such particular Maintained Facilities. Notwithstanding the preceding sentence, Master Developer shall be responsible for the plants, trees, grass, irrigation systems, and any other botanicals or mechanical appurtenances related in any way to the Maintained Facilities pursuant to any and all express or implied warranties provided by Master Developer to the HOA under NRS Chapter 116.

4.04 City Maintenance Obligation Acknowledged. City acknowledges and agrees that all permanent flood control facilities as identified on the Regional Flood Control District Master Plan Update and eligible for maintenance funding and all City dedicated public streets (excluding any landscape within the right-of-way), associated curbs, gutters, City-owned traffic control devices, signage, those improvements identified with Drainage Studies for public maintenance, and streetlights upon City-dedicated public streets within the Community and accepted by the City will be maintained by City in good condition and repair at the City's sole cost and expense. City will maintain all temporary detention basins identified in the Master Drainage Study. Within 60 days of completion of the first temporary basin, Master

Developer shall deposit into a special account \$100,000 to reimburse City for City's costs to maintain the basins. Master Developer shall annually thereafter deposit an amount necessary to restore the balance of the account to \$100,000.

SECTION FIVE PUBLIC FACILITIES

5.01. Elementary, Middle and High School Acreage. Master Developer shall dedicate, at no cost to City or the CCSD, up to 72 acres total for the school sites shown on the Master Land Use Plan. Master Developer further agrees to construct Standard Improvements adjacent to the school parcels contemporaneous with the construction of adjacent Village Streets. Such improvements for each dedicated parcel shall be constructed by Master Developer on such schedule as agreed between Master Developer and the CCSD. City agrees that Master Developer has met its obligation in this section if it offers the dedication to the CCSD with restrictions requiring

(a) conformance with the Design Guidelines; and

(b) replacement of any Standard Improvements or facilities installed by Master Developer damaged or removed by CCSD.

5.02. Fire Protection.

(a) Payment Towards Construction of Fire Station. Within 18 months of the Effective Date, Master Developer shall pay to City \$1,000,000 towards the construction of a Fire Station at the Fire Station Site.

(b) Mandatory Fire Suppression Systems. Anything in the Applicable Rules to the contrary notwithstanding, every residential dwelling unit constructed in the Community shall be constructed with an automatic fire suppression system pursuant to specifications set forth in the Building Codes. Individual pressure booster pumps may be used to comply with water pressure requirements only where:

(i) requiring an increase in diameter of the sprinkler pipes inside a dwelling unit would increase the construction costs of such dwelling unit by more than Five Hundred (\$500.00) Dollars, adjusted for inflation; or

(ii) hydraulic calculations demonstrate that the required water pressure cannot be provided without use of a pump; or

(iii) a builder would otherwise be required to modify the architectural plans for a dwelling unit. Nothing in this Section 5.02 is intended to relieve Master Developer or a Designated Builder from any obligation to install automatic fire suppression systems in non-residential structures, which shall be provided as required by the Applicable Rules.

(c) Waiver of Permit, Inspection Fees. Master Developer and Designated Builders shall not be required to pay any cost or fee associated with the inspection of a fire suppression system required in Section (b) above. City shall use its best efforts to cause the LVVWD to waive any costs or fees associated with Master Developer and Designated Builders compliance with Section 5.02 (b), above.

(d) Establishment of a Fire Safe Community Program.

(i) Within 90 days of the Effective Date, City shall establish a Fire Safe Community Program (the "FSCP") similar to City's Green Building Program.

(ii) City shall promote the FSCP, and the fact that Master Developer and Designated Builders comply with the FSCP:

(1) on all official City websites; and

(2) in written materials that are available in all offices of the City that are open to the general public during normal business hours.

(iii) All websites and written material described in Section (ii) above shall contain a reference to a website provided by Master Developer where people can obtain information about the Community, the Master Developer and Designated Builders.

(iv) Within 90 days of City sending written notice to Master Developer that City has established the FSCP, Master Developer shall pay City \$50,000 towards the cost of City's obligations set forth in this Subsection(d).

5.03. Regional Transportation Center.

(a) Dedication of a Transit Center Site. Master Developer shall, at no cost to City or the RTC, dedicate up to two and one-half (2.5) gross acres of land to serve as a transit hub and transfer point for various bus routes. Such dedication shall be subject to a restriction that requires the RTC to allow, at no cost, at least one-half (1/2) acre of the RTC parcel to be used for parking facilities that serve both the RTC parcel and the Property. Master Developer shall construct Standard Improvements adjacent to the RTC parcel contemporaneous with the construction of adjacent Village Streets. The Transit Center shall be in the location shown on the Master Land Use Plan or in such alternate location approved by Master Developer, City and the RTC. So long as the alternative location is within the Town Center Mixed-Use district, an amendment to the Master Land Use Plan shall not be required. Master Developer is under no obligation to dedicate any land to the RTC other than as required herein.

(b) Design of the Regional Transportation Center. RTC shall design the Transit Center in accordance with the Design Guidelines, subject to the approval of Master Developer and City.

5.04 Police Services. Designated Builders shall pay City \$218 per residential unit for use in the construction of a Metro substation to serve the Community and the surrounding area. Such payment shall be made concurrent with the building permit issued for each residential unit.

SECTION SIX OPEN SPACE, PARKS, TRAILS AND RECREATION FACILITIES

6.01. Parks Agreement. There exists a Parks Agreement describing the Parties' responsibilities regarding the design, construction, ownership and maintenance responsibilities for the open space, parks, trails and other recreation amenities to be provided by Master Developer. Such agreement is attached hereto as Exhibit "D" and incorporated fully herein. The parties acknowledge that the Parks Agreement is a vital and integral part of this Agreement, and this Agreement would not have otherwise been approved and executed without the prior approval of the Parks Agreement by the City Council.

SECTION SEVEN PROJECT INFRASTRUCTURE IMPROVEMENTS

7.01. Conformance to Master Studies. Master Developer agrees to construct and dedicate to City or other governmental or quasi-governmental entity or appropriate utility company, all infrastructure necessary for the development of the Community as required by the Master Studies and this Agreement.

7.02. Acquisition of Rights-of-Way and Easements. City acknowledges that certain rights-of-way and easements outside the boundaries of the Property may be necessary for the construction of the necessary infrastructure improvements. City shall assist the Master Developer in obtaining the necessary rights-of-way, easements or other interests not owned by Master Developer necessary to construct the necessary infrastructure improvements. With regard to any necessary roadways and/or necessary drainage corridors that are proposed to abut or cross BLM lands, Master Developer shall submit all required documentation to City to enable City to acquire the necessary rights from the BLM. City will accept and initiate processing these applications through the BLM upon submittal of the Master Studies and will diligently pursue approval of the applications in a timely manner. In the event any required rights-

of-way, easements or other interests can not be obtained, City may allow a modification of the appropriate approved Master Study to permit development of the Community without such right-of-way, easements or other interest.

7.03. Water Supply. The Parties acknowledge that City currently has no role in the allocation of water to customers of the Las Vegas Valley Water District. If, however, City assumes any role in water allocation during the term of this Agreement, City agrees it will endeavor to allocate or cause to be allocated to the Community water in order that the development of the Community will continue uninterrupted. City and Master Developer will cooperate with the Las Vegas Valley Water District in granting over their respective properties reasonable easements or right-of-ways either On-Property or Off-Property necessary for the installation of water facilities to serve the development. Master Developer agrees to execute all Affidavits of Waiver and Consent forms required by City in order for water laterals and mains to be a part of any proposed special improvement districts.

7.04 Traffic Improvements.

(a) Obligation to Construct Village Streets solely on Master Developer. Master Developer is obligated to, and shall design and construct all Village Streets subject to Section 7.04 (b), as indicated in the Master Traffic Study. Master Developer acknowledges and agrees that this obligation shall not be delegated to, transferred to or completed by any Designated Builder.

(b) Traffic Signal Improvements. Master Developer or Designated Builders shall comply with Ordinance 5644 (Bill 2003-94), as amended from time to time by the City. The City, pursuant to Ordinance 5644, will construct the traffic signals identified in the Master Traffic Study.

(c) Updates. If required by the Director of Public Works, Master Developer or a Designated Builder shall submit and receive conditional approval of an update of the Master Traffic Study or a Designated Builder site specific traffic impact analysis prior to the approval of the following land use applications: tentative map (residential or commercial); site development plan review (multi-family or commercial); parcel map; or special use permit, but only if the applications propose land use, density, or entrances that substantially deviate from the approved Master Study or the development differs substantially in the opinion of the City Traffic Engineer from the assumptions of the approved Master Traffic Study. Additional public right-of-way may be required to accommodate such changes.

(d) Construction Phasing. Master Developer shall submit a phasing plan and estimated sequence for all required On-Property and Off-Property street improvements as a part of the Master Traffic Study.

(e) Kyle Canyon Engineered Details. Design Guidelines shall include engineered details for each public street type, private street type, alley type, trail type, sidewalk type, path type or other roadways or pedestrian travel paths that differ from the City's Standard Drawings for the City's review and approval.

(f) Timing of Subdivision Improvements. Civil improvement plans for construction upon a Designated Builder Parcel may be submitted to Public Works after all of the following have occurred:

(i) conditional approval or concurrent with second submittal of a Technical Drainage Study for a Designated Builder Parcel;

(ii) if required by the Public Works Director, approval or concurrent with second submittal of a traffic study for a Designated Builder Parcel;

(iii) approval of a tentative map or site development plan review for the Designated Builder Parcel, as applicable; and

(iv) submittal for second review of the civil improvement plans to the City for the surrounding master infrastructure.

Surrounding master infrastructure civil improvement plans must be approved prior to approval of civil improvement plans for the Designated Builder Parcel.

7.05 Northern Beltway. Currently, the Property is encumbered by an irrevocable BLM Right-of-Way grant in favor of the City for the proposed Northern Beltway as depicted on Exhibit "K" (the "Existing ROW"). The Parties have agreed to a realignment of the proposed Northern Beltway (the "Northern ROW") and for the means by which the City shall acquire certain of the necessary rights-of-way for the Northern Beltway both within and outside the boundaries of the Property and for the abandonment by the City of the Existing ROW. Except as required by the Applicable Rules and the Master Studies, City shall not require the dedication of any easement, right-of-way or other interest for the Northern ROW.

(a) The agreement of the parties as to the Northern ROW is as follows:

(i) Prior to the recordation of the Parent Final Map, certain real property necessary to construct the Northern ROW within Section 1 as depicted graphically, and identified by legal description by Exhibit "H" (the "Section 1 Land"), shall be dedicated to the City pursuant to one of two alternatives identified herein at Section 7.05 (b).

(ii) Prior to the recordation of the Parent Final Map, certain parcels currently within the Providence Master Planned Community as depicted graphically, and identified by legal description by Exhibit "I" (the "Providence Land"), shall be dedicated to the City. The Providence Land will be dedicated free of any debt encumbrances, and subject only to standard title exceptions acceptable to the City.

(iii) The Parties acknowledge that on the Parent Tentative Map, the Master Developer will identify for dedication to the City all real property necessary to construct the Northern ROW within the boundaries of the Property as depicted graphically, and identified by legal description by Exhibit "J" (the "On-Property Land").

(iv) Within thirty (30) days after the Effective Date, the City shall file an action to vacate the Existing ROW. Such vacation shall not record until such time as the dedication of the Section 1 Land and the Providence Land to the City, and the recordation of the Parent Final Map conveying the On-Property Land to the City, are complete.

(v) In any event the Existing ROW shall not be vacated until the Section 1 Land, the Providence Land and the On-Property Land are dedicated to the City as set forth herein. In the unforeseen event that the Section 1 Land, the Providence Land and the On-Property Land are ultimately not dedicated to the City for any reason, the parties acknowledge the necessity to amend the Agreement to accomplish an amendment of the Master Land Use Plan to properly include the Existing ROW within the Property.

(vi) The Master Developer acknowledges, for itself, and on behalf of any Designated Builders, that the City will process, but will abey consideration of, any Tentative Subdivision Map, Site Development Plan Review or other approval that could result in the issuance of a building permit for parcels that lie within the Existing ROW until such time as the Section 1 Land, the Providence Land and the On-Property Land are dedicated to the City.

(vii) The City shall not bear any escrow fees, title insurance premiums or other costs related to the dedication of the Section 1 Land, the Providence Land or the On-Property Land.

(b) With regard to the dedication of the Section 1 Land, there are two alternatives:

(i) Alternate 1. As to the dedication of the Section 1 Land, the land will be dedicated free of any debt encumbrances, and subject only to standard title exceptions acceptable to the City.

(ii) Alternate 2. Alternatively, the Section 1 Land may be dedicated subject only to standard title exceptions acceptable to the City and to encumbrances for debt existing as of the Effective

Date ("Debt Encumbrances"), and such dedication shall be accepted by the City only upon the following terms:

(1) Along with the dedication, an Irrevocable Letter of Credit in favor of the City and the Debt lien holders will be provided to the City, issued by a commercial bank acceptable to the City (the "LOC");

(2) The LOC will be in the amount of the Debt Encumbrances, plus related expenses in an amount acceptable to the City. If the debt lien holders acknowledge by agreement that the amount of the LOC will satisfy all amounts due and owing for the Section 1 Land, the City shall accept the amount of the LOC offered. The LOC will allow the City or the Debt lien holders to draw upon the LOC to extinguish the Debt Encumbrances, should there be an uncured default under the loan agreements that underlie the Debt Encumbrances, or an uncured default in the terms of this Section;

(3) An agreement the terms and provisions of which are acceptable to the City, will be provided to the City, which will be executed by the Debt lien holders and the Section 1 land owners, which acknowledges the dedication and the terms under which the City is accepting the dedication subject to the Debt Encumbrances. The lender agreement will provide that all notices sent by the Debt lien holders to the debtors related to the Section 1 Land will be copied to the City, and that the loan agreements cannot and shall not be amended or modified without the prior, express approval of the City Council. The lender agreement will further provide that, upon receipt of the full payment in an amount equal to the LOC, the Debt Encumbrances will be fully released regardless of whether the amount of the LOC is sufficient to cover all the debt, expenses and/or other obligations of the Section 1 Land owners to the lenders, and it will provide that the Debt lien holders acknowledge and accept that the City may construct public infrastructure improvements upon the Section 1 Land prior to the full satisfaction of the Debt Encumbrances; and

(4) The loans underlying the Debt Encumbrances will be fully paid within five (5) years of the date of the dedication, resulting in a full extinguishment of the Debt Encumbrances.

7.06 Other Roadway Improvements.

(a) Kyle Canyon Interchange. City shall complete construction of the Kyle Canyon/US-95 interchange in substantial conformance with a design acceptable to the Parties. City shall use its best efforts to complete such construction within 48 months of the Parties agreeing on a design. Master Developer shall pay City \$10 million dollars for the construction of the interchange within 60 days of notification from the City that the design is complete in a manner sufficient to bid the project.

(b) Horse Drive Interchange. City shall use its best efforts to complete construction of the Horse Drive/US-95 interchange within 30 months of the Effective Date.

(c) Hualapai Interchange. Parties will cooperate in:

(i) requesting that Clark County prioritize construction of appropriate improvements to the Hualapai/215 interchange; and

(ii) obtaining any available federal, state, RTC or Clark County funding for such construction.

(d) Hualapai/Horse Connector. Master Developer shall dedicate with the Parent Final Map the right-of-way for, and shall construct the improvements depicted in, the Design Guidelines as DG-S-A1 and DG-S-A2.

7.07 Flood Control.

(a) Obligation to Construct Flood Control Facilities solely on Master Developer. Master Developer shall design and construct flood control facilities that are identified as Master Developer's responsibility in the Master Drainage Study. Master Developer acknowledges and agrees that this

obligation shall not be delegated to, transferred to or completed by any Designated Builder.

(b) Other Governmental Approvals. The Clark County Regional Flood Control District, the Nevada Department of Transportation and any other state or federal agencies, as required, shall approve the Master Drainage Study prior to final approval from City. Clark County Department of Development Services shall receive a copy of the Master Drainage Study and shall have the opportunity to comment.

(c) Updates. The Director of Public Works may require an update to the Master Drainage Study or Master Technical Study as a condition of approval of the following land use applications: tentative map, residential or commercial; site development plan review, multifamily or commercial; or parcel map. The update must be approved prior to the approval of any construction drawings and the issuance of any final grading permits. An update to the exhibit in the approved Master Drainage Study depicting proposed development phasing in accordance with the Development Agreement shall be submitted for approval by the Flood Control Section.

(d) Regional Flood Control Facility Construction by Master Developer. The Master Developer agrees to design and substantially complete the County Regional Flood Control District facilities as defined in the Master Drainage Study pursuant to the Regional Flood Control District 2002 Master Plan Update prior to the final inspection of the first unit within each area protected by the appropriate drainage facility.

An interim drainage facility in lieu of the permanent regional facility could be considered acceptable for the Las Vegas Wash – Moccasin (LVMO 0000) facility. Additionally, those facilities that will be in the Mountain Edge Parkway alignment (right-of-way) will be interim drainage facilities. Interim drainage facilities shall be maintained in accordance with Sections 4.01 and 4.04 of this Agreement.

If required by the Master Drainage Study or technical drainage studies, the above facilities or portions thereof shall be constructed prior to issuance of any building permits for affected downstream units or alternate flood protection or mitigation acceptable to City must be provided.

(e) Construction Phasing. Master Developer shall submit a phasing and sequencing plan for all drainage improvements within the Community as a part of the Master Drainage Plan. The phasing plan and schedule must clearly identify drainage facilities (interim or permanent) necessary prior to permitting any downstream units for construction.

SECTION EIGHT SPECIAL IMPROVEMENT DISTRICT

8.01 City agrees to consider and, if appropriate, process and facilitate, with due diligence, any applications made by Master Developer for the creation of a special improvement district. If a request to create a special improvement district is made by Master Developer, the Parties agree to utilize the City's Master Developer Special Improvement District Guidelines, which are attached hereto at Exhibit "E." The Parties agree that nothing contained in this Section or elsewhere in this Agreement constitutes in any way a pre-approval or authorization of any such special improvement district and any special improvement district must be processed and approved pursuant to State law and the Applicable Rules.

SECTION NINE REVIEW OF DEVELOPMENT

9.01 Frequency of Reviews. As provided by NRS Chapter 278, Master Developer shall appear before the City Council to review the development of the Community. The Parties agree that the first review occur no later than eleven (11) months after the Effective Date of this Agreement, and again at least annually on the anniversary date of that first review thereafter, or as otherwise requested by City upon fourteen (14) days written notice to Master Developer. For any such review, Master Developer shall provide, and City shall review, a report submitted by Master Developer documenting the extent of Master Developer's and City's material compliance with the terms of this Agreement during the preceding period.

The report shall contain information regarding the progress of development within the Community, including, without limitation:

- (a) data showing the total number of residential units built and approved on the date of the report;
- (b) specific densities within each subdivision and within the Community as a whole; and
- (c) the status of development within the Community and the anticipated phases of development for the next calendar year.

In the event Master Developer fails to submit such a report within thirty (30) days following written notice from City that the deadline for such a report has passed, Master Developer shall be in default of this provision and City shall prepare such a report and conduct the required review in such form and manner as City may determine in its sole discretion. City shall charge Master Developer for its reasonable expenses, fees and costs incurred in conducting such review and preparing such report. If at the time of review an issue not previously identified in writing is required to be addressed, the review at the request of either party may be continued to afford reasonable time for response

9.02 Opportunity to be heard. The report required by this Section shall be considered solely by the City Council. Master Developer shall be permitted an opportunity to be heard orally and in writing before the City Council regarding performance of the parties under this Agreement. The Director of Planning may, in her discretion, provide copies of the report to members of City's Planning Commission for their information and use.

9.03 Action by the City Council. At the conclusion of the public hearing on the review, the City Council may take any action permitted by NRS 278.0205 and/or this Agreement.

SECTION TEN DEFAULT

10.01 Opportunity to Cure; Default. In the event of any noncompliance with any provision of this Agreement, the Party alleging such noncompliance shall deliver to the other by certified mail a ten (10) day notice of default and opportunity to cure. The time of notice shall be measured from the date of receipt of the certified mailing. The notice of noncompliance shall specify the nature of the alleged noncompliance and the manner in which it may be satisfactorily corrected, during which ten (10) day period the party alleged to be in noncompliance shall not be considered in default for the purposes of termination or institution of legal proceedings.

If the noncompliance cannot reasonably be cured within the ten (10) day cure period, the non-compliant Party may timely cure the noncompliance for purposes of this Section 10 if it commences the appropriate remedial action within the ten (10) day cure period and thereafter diligently prosecutes such action to completion within a period of time acceptable to the non-breaching Party. If no agreement between the Parties is reached regarding the appropriate timeframe for remedial action, the cure period shall not be longer than thirty (30) days from the date the ten (10) day notice of noncompliance and opportunity to cure was mailed to the non-compliant Party.

If the noncompliance is corrected, then no default shall exist and the noticing party shall take no further action. If the noncompliance is not corrected within the relevant cure period, the non-complaint party is in default, and the party alleging non-compliance may declare the breaching party in default and elect any one or more of the following courses.

(a) Option to Terminate. After proper notice and the expiration of the above-referenced period for correcting the alleged noncompliance, the party alleging the default may give notice of intent to amend or terminate this Agreement as authorized by NRS Chapter 278. Following any such notice of intent to amend or terminate, the matter shall be scheduled and noticed as required by law for consideration and review solely by the City Council.

(b) Amendment or Termination by City. Following consideration of the evidence presented before the City Council and a finding that a default has occurred by Master Developer and remains uncorrected, City may amend or terminate this Agreement. Termination shall not in any manner rescind, modify, or terminate any vested right in favor of Master Developer, as determined under the Applicable Rules, existing or received as of the date of the termination. Master Developer shall have twenty-five (25) days after receipt of written notice of termination to institute legal action pursuant to this Section to determine whether a default existed and whether City was entitled to terminate this Agreement.

(c) Termination by Master Developer. In the event City substantially defaults under this Agreement, Master Developer shall have the right to terminate this Agreement after the hearing set forth in this Section. Master Developer shall have the option, in its discretion, to maintain this Agreement in effect, and seek to enforce all of City's obligations by pursuing an action pursuant to Section 10.03.

10.02. Unavoidable Delay; Extension of Time. Neither party hereunder shall be deemed to be in default, and performance shall be excused, where delays or defaults are caused by war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, or acts of God. If written notice of any such delay is given to one party or the other within thirty (30) days after the commencement thereof, an automatic extension of time, unless otherwise objected to by the party in receipt of the notice within thirty (30) days of such written notice, shall be granted coextensive with the period of the enforced delay, or longer as may be required by circumstances or as may be subsequently agreed to between City and Master Developer. Any such extensions of time shall have no effect upon the timing of and the conclusions reached in the reviews to be conducted pursuant to Section 9 above.

10.03. Limitation on Monetary Damages. City and the Master Developer agree that they would not have entered into this Agreement if either were to be liable for monetary damages based upon a breach of this Agreement or any other allegation or cause of action based upon or with respect to this Agreement. Accordingly, City and Master Developer may pursue any course of action at law or in equity available for breach of contract, except that neither Party shall be liable to the other or to any other person for any monetary damages based upon a breach of this Agreement or any other allegation or cause of action based upon or with respect to this Agreement.

10.04. Venue. Jurisdiction for judicial review under this Agreement shall rest exclusively with the Eight Judicial District Court, County of Clark, State of Nevada or the United States District Court, District of Nevada.

10.05. Waiver. Failure or delay in giving notice of default shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies in respect of any default shall not operate as a waiver of any default or any such rights or remedies, or deprive such party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any of its rights or remedies.

10.06. Applicable Laws; Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. Each party shall bear its own attorneys' fees and court costs in connection with any legal proceeding hereunder.

SECTION ELEVEN GENERAL PROVISIONS

11.01. Duration of Agreement. The Term of this Agreement shall commence upon the Effective Date and shall expire on the twentieth (20th) anniversary of the Effective Date, unless terminated earlier pursuant to the terms hereof. City agrees that the Master Developer shall have the right to request extension of the Term of this Agreement for an additional five (5) years upon the following conditions:

(a) Master Developer provides written notice of such extension to City at least one hundred-eighty (180) days prior to the expiration of the original Term of this Agreement;

(b) Master Developer is not in default of this Agreement; and

(c) Master Developer and City enter into an amendment to this Agreement memorializing the extension of the Term.

11.02. Assignment.

(a) To a Third Party. Assignment or a transfer of rights or obligations under this Agreement to a third person other than as provided herein is not a contemplated transaction under this Agreement. Master Developer shall not sell or transfer any or all of its rights or obligations under this Agreement to a third person other than as provided herein without the approval of the City Council and any such transfer is an immediate default of this Agreement notwithstanding the cure provisions of Section Ten. Any cumulative swap, trade, sale or other transfer of more than thirty-three percent (33%) of the ownership interests of Master Developer entity to a third person not otherwise contemplated by this Agreement, shall be considered a transfer of rights or obligations under this Agreement that requires City Council approval as provided above.

(b) To an Affiliate of Master Developer. Except as otherwise provided by Section 11.02(c), below, the rights of the Master Developer under this Agreement may be freely transferred or assigned to an Affiliate of the Master Developer provided that such entity shall assume in writing all obligations of the Master Developer hereunder.

(c) Transfer Not to Relieve the Master Developer of its Obligation. Except as expressly provided herein, no assignment or transfer of any portion of the Property shall relieve Master Developer of its obligations hereunder, and such assignment or transfer shall be subject to all of the terms and conditions of this Agreement, provided, however, that no such transferee shall be deemed to be the Master Developer hereunder. This Section shall have no effect upon the validity of obligations recorded as covenants, conditions, restrictions or liens against parcels of real property.

(d) In Connection with Financing Transactions. Master Developer has full and sole discretion and authority to encumber the Property or portions thereof, or any improvements thereon, in connection with financing transactions, without limitation to the size or nature of any such transaction, the amount of land involved or the use of the proceeds therefrom, and may enter into such transactions at any time and from time to time without permission of or notice to City. All such financing transactions shall be subject to the terms and conditions of this Agreement.

11.03 Indemnity; Hold Harmless. Except as expressly provided in this Agreement, the Master Developer shall hold City, its officers, agents, employees, and representatives harmless from liability for damage or claims for damage for personal injury, including death and claims for property damage which may arise from the direct or indirect operations of Master Developer or those of its contractors, subcontractors, agents, employees, or other persons acting on Master Developer's behalf which relate to the development of the Community. Master Developer agrees to and shall defend City and its officers, agents, employees, and representatives from actions for damages caused or alleged to have been caused by reason of Master Developer's activities in connection with the development of the Community. Master Developer agrees to indemnify, hold harmless, and provide and pay all costs and attorneys fees for a defense for City in any legal action filed in a court of competent jurisdiction by a third party alleging any such claims or challenging the validity of this Agreement. The provisions of this Section shall not apply to the extent such damage, liability, or claim is proximately caused by the intentional or negligent act of City, its officers, agent, employees, or representatives. This section shall survive any termination of this Agreement.

11.04. Binding Effect of Agreement. Subject to Section 11.02, the burdens of this Agreement bind, and the benefits of this Agreement inure to, the Parties' respective assigns and successors-in-interest and the property which is the subject of this Agreement.

11.05 Relationship of Parties. It is understood that the contractual relationship between City and

Master Developer is such that Master Developer is not an agent of City for any purpose and City is not an agent of Master Developer for any capacity.

11.06 Notices. All notices, demands and correspondence required or provided for under this Agreement shall be in writing and delivered in person or mailed by certified mail postage prepaid, return receipt requested. Notices shall be addressed as follows:

To City: City of Las Vegas
400 Stewart Avenue
Las Vegas, Nevada 89101
Attention: City Manager
Attention: Director of Planning

To Owner: Kyle Acquisition Group, LLC
3455 Cliff Shadows Parkway
Suite 220
Las Vegas, Nevada 89129
Attention: Chief Operating Officer

Either Party may change its address by giving notice in writing to the other and thereafter notices, demands and other correspondence shall be addressed and transmitted to the new address. Notices given in the manner described shall be deemed delivered on the day of personal delivery or the date delivery of mail is first attempted.

11.07 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all of any part of the subject matter hereof.

11.08 Waivers. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate officers of Master Developer or approved by the City Council, as the case may be.

11.09 Recording; Amendments. Promptly after execution hereof, an executed original of this Agreement shall be recorded in the Official Records of Clark County, Nevada. All amendments hereto must be in writing signed by the appropriate officers of City and Master Developer in a form suitable for recordation in the Official Records of Clark County, Nevada. Upon completion of the performance of this Agreement, a statement evidencing said completion, shall be signed by the appropriate officers of the City and Master Developer and shall be recorded in the Official Records of Clark County, Nevada. A revocation or termination shall be signed by the appropriate officers of the City or Master Developer and shall be recorded in the Official Records of Clark County, Nevada.

11.10 Headings; Exhibits; Cross References. The recitals, headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to construe, interpret, expand or limit the terms of this Agreement. All exhibits attached to this Agreement are incorporated herein by the references contained herein. Any term used in an exhibit hereto shall have the same meaning as in this Agreement unless otherwise defined in such exhibit. All references in this Agreement to sections and exhibits shall be to sections and exhibits to this Agreement, unless otherwise specified.

11.11 Release. Each residential lot shown on a recorded Subdivision Map within the Community shall be automatically released from the encumbrance of this Agreement without the necessity of executing or recording any instrument of release upon the issuance of a building permit for the construction of a residence thereon.

11.12 Severability of Terms. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and

provisions of this Agreement shall nevertheless remain in full force and effect, provided that the invalidity, illegality or unenforceability of such terms does not materially impair the Parties' ability to consummate the transactions contemplated hereby. If any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall, if possible, amend this Agreement so as to affect the original intention of the Parties.

11.13 Exercise of Discretion. Wherever a Party to this Agreement has discretion to make a decision, it shall be required that such discretion be exercised reasonably unless otherwise explicitly provided in the particular instance that such decision may be made in the Party's "sole" or "absolute" discretion or where otherwise allowed by applicable law..

11.14 No Third Party Beneficiary. This Agreement is intended to be for the exclusive benefit of the parties hereto and their permitted assignees. No third party beneficiary to this Agreement is contemplated and none shall be construed or inferred from the terms hereof. In particular, no person purchasing or acquiring title to land within the Community or residing in the Community shall, as a result of such purchase, acquisition or residence, have any right to enforce any obligation of Master Developer or City nor any right or cause of action for any alleged breach of any obligation hereunder by either party hereto.

11.15 Gender Neutral. In this Development Agreement (unless the context requires otherwise), the masculine, feminine and neutral genders and the singular and the plural include one another.

In Witness Whereof, this Agreement has been executed by the parties on the day and year first above written.

CITY:

OWNER:

CITY COUNCIL, CITY OF LAS VEGAS

KYLE ACQUISITION GROUP, LLC

By: _____

Oscar B. Goodman, Mayor

By: _____

Name: _____

Approved as to Form: _____

Title: _____

Deputy City Attorney

Attest:

City Clerk

By: _____

Beverly Bridges, Acting City Clerk

SUBSCRIBED AND SWORN TO before me
on this ____ day of _____,
200__.

Notary Public in and for said County and State

KYLE CANYON DEVELOPMENT AGREEMENT

EXHIBITS

Exhibit "A"	Property Description	
Exhibit "B"	Development Phases	
Exhibit "C"	Impact Statement	
Exhibit "D"	Parks Agreement	
Exhibit "E"	Developer Special Improvement Guidelines	
Exhibit "F"	Residential Land Use Table and Planning Area Map	
Exhibit "G"	Drainage, Traffic and Wastewater Master Studies	(on disk)
Exhibit "H"	Section 1 Land	
Exhibit "I"	Providence Land	
Exhibit "J"	On-Property Land	
Exhibit "K"	Existing ROW	

EXHIBIT A
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
PROPERTY DESCRIPTION

EXHIBIT A
TO THE KYLE CANYON DEVELOPMENT AGREEMENT

PROPERTY DESCRIPTION

125-06-001-001
125-06-001-002

125-06-002-001
125-06-002-002
125-06-002-003
125-06-002-007
125-06-002-009

125-06-099-001
125-06-099-002
125-06-099-012

125-07-101-001
125-07-101-002
125-07-201-001
125-07-201-002
125-07-301-001
125-07-301-002
125-07-401-001
125-07-401-002
125-07-501-001
125-07-602-001
125-07-602-002

126-12-000-001

EXHIBIT B

TO THE KYLE CANYON DEVELOPMENT AGREEMENT

DEVELOPMENT PHASES

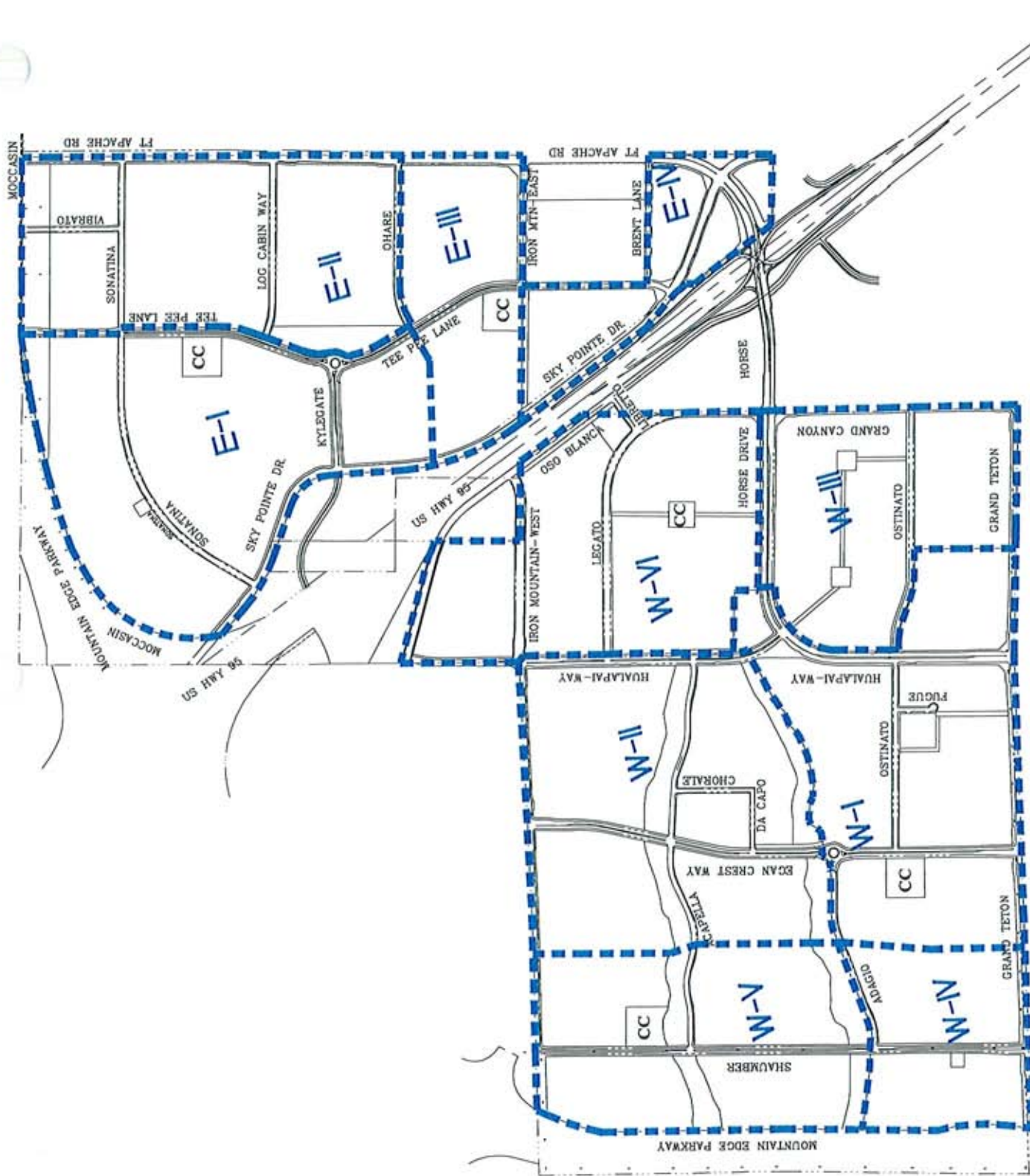


LEGEND

--- PHASE LINE

W-N PHASE

CC COMMUNITY CENTER



KYLE CANYON DEVELOPMENT PHASES

EXHIBIT C

TO THE KYLE CANYON DEVELOPMENT AGREEMENT

IMPACT STATEMENT

CITY OF LAS VEGAS
PLANNING AND DEVELOPMENT DEPARTMENT

ENVIRONMENTAL IMPACT ASSESSMENT

Pursuant to Las Vegas Municipal Code (LVMC) Section 19.18.010(E) and Ordinance No. 5477 (May 1, 2002), the City of Las Vegas has determined that your project is subject to a Development Impact Notice and Assessment (DINA) and/or meets the criteria for a Project of Regional Significance as established by the Southern Nevada Regional Policy Plan.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project. The Environmental Impact Assessment forms attached herein must be prepared for each factor* and submitted for evaluation.

√	1	Project Description
√	2	Transportation and Traffic
√	3	Schools
√	4	Emergency Services
√	5	Housing
√	6	Mass Transit
√	7	Open Space and Recreation
√	8	Hydrology
√	9	Water Quality
√	10	Utilities and Service System

* Bold question numbers denote minimum NRS requirements

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

Applicant Information

The following Environmental Impact Assessment is being submitted for consideration for the proposed project known as Kyle Canyon Master Plan, located between Moccasin Rd. and Grand Teton Dr. and North Fort Apache and Puli Rd..

This document is being prepared by:

Company Name: Moser Architecture Studio
Address: 3425 Cliff Shadows Pkwy.
Suite 150
Las Vegas, NV, 89129

Contact Person:

Name: Betty Casey
Title: Project Manager
Telephone: 702-693-4280
Fax: 702-939-8460
E-mail: betty@moserarchitecture.com

I certify that the statements made by me on this Environmental Impact Assessment represent my best professional judgment and are, to the best of my knowledge, true and complete and correct.

I understand that any misrepresentation or material omission of fact on this document may be considered as constituting grounds for an incomplete application and may uphold processing of the application until complete information is provided.

Signature: _____

Date: _____

Name: Betty Casey
Title: Project Manager

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

1 Project Description

1.a Project title: Kyle Canyon Master Plan

1.b Application #:

1.c Project location: Bordered by Moccasin Rd. to the north, Grand Teton to the south, N. Fort Apache on the east and Puli Rd. on the west.

1.d Project sponsor

Name: Kyle Acquisition Group, LLC

Address: 3455 Cliff Shadows Pkwy., Suite 220

Telephone: 702-242-4949

1.e G. P. designation: Traditional Neighborhood Development

1.f Zoning: U and R-E

1.g Project description:

Total site acreage: 1,712

i) Residential

Total units: 16,000 maximum

FAR per Lot: Varies

Lot Coverage per Lot: Varies

ii) Hospitality

Total rooms: 61 acres designated for Casino Complex

Total entertainment: 155,000 s.f.

iii) Commercial

Total S.F.: 30 acres designated for Mixed use commercial development

Total FAR: Varies

Total Lot Coverage: Varies

1.h Briefly describe the project's surrounding land use and setting:

North: (PD) Undeveloped

East: (R-PD) Single Family Residential

South: (PD) Undeveloped

West: (RC) Red Rock Conservation

1.i Project narrative (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach exhibits if necessary):

ENVIRONMENTAL IMPACT ASSESSMENT

Narrative: The Kyle Canyon Master Development Plan comprises approximately 1,712 acres of land. The project is planned for a range of single, cluster and multi-family residential uses, as well as mixed use urban centers and commercial, resort and casino uses. The Master Development Plan also contains sites designated for parks, trails, community center, school, and other public facility uses.

2 **Transportation and Traffic**

- 2.a Would the project include adequate emergency access pursuant to LVMC Fire and emergency response requirements?

Explain: Yes. The Development Agreement provides for adequate police and fire protection.

- 2.b Would the project provide adequate parking pursuant to LVMC parking requirements?

Explain: Yes, the project shall provide adequate parking for the proposed development.

- 2.c Would the project potentially increase hazards due to a design feature (e.g., sharp curves, dangerous intersection) or incompatible uses (e.g., commercial heavy equipment)?

Explain: No. The proposed facility would not increase hazards due to a design feature or incompatible uses.

- 2.d Would the site have sufficient access to streets and highways, adequate in width and pavement type to carry the quantity and quality of traffic generated by the proposed project?

Explain: Yes. The site shall have access to Horse Drive, Grand Teton Drive, Grand Canyon Drive, and Hualapai Way. When fully improved, these roadways shall have the capacity to accommodate the traffic generated by this project

- 2.e Insert a Table (attach additional sheets if necessary), indicating the number of vehicle trips that the proposal will generate, estimated by applying to the proposal the average trip rates for the peak days and hours established by the Institute of Transportation Engineers (or its successor).

Table: Tables follow on pages 6 through 9.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

TRIP GENERATION ITE CODE 820 SHOPPING CENTER	
1,306,800 SQUARE FEET	
AM PEAK HOUR	
Average Rate = 1.03 Trips per 1,000 Square Feet $T = (1.03)(1,306.800)$ $T = 1,346.01$ or 1,347 Trips	
<u>61% Entering</u> 822 Trips	<u>39% Exiting</u> 525 Trips
PM PEAK HOUR	
Average Rate = 3.75 Trips per 1,000 Square Feet $T = (3.75)(1,306.800)$ $T = 4,900.5$ or 4,901 Trips	
<u>48% Entering</u> 2,352 Trips	<u>52% Exiting</u> 2,549 Trips
WEEKDAY	
Average Rate = 42.94 Trips per 1,000 Square Feet $T = (42.94)(1,306.800)$ $T = 56,113.99$ or 56,114 Trips	

TRIP GENERATION ITE CODE 210 SINGLE-FAMILY DETACHED HOUSING 7,700 DWELLING UNITS	
AM PEAK HOUR	
$T = 0.70(X) + 9.43$ $T = 0.70(7,700) + 9.43$ $T = 5,399.43$ or 5,400 Trips	
<u>25% Entering</u> 1,350 Trips	<u>75% Exiting</u> 4,050 Trips
PM PEAK HOUR	
$\ln(T) = 0.90 \ln(X) + 0.53$ $\ln(T) = 0.90 \ln(7,700) + 0.53$ $T = 5,345.86$ or 5,346 Trips	
<u>63% Entering</u> 3,368 Trips	<u>37% Exiting</u> 1,978 Trips

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

WEEKDAY	
$Ln(T) = 0.92 Ln(X) + 2.71$ $Ln(T) = 0.92 Ln(7,700) + 2.71$ $T = 56,560.01$ or 56,561 Trips	

TRIP GENERATION ITE CODE 230 RESIDENTIAL CONDOMINIUM/TOWNHOUSE 4,650 DWELLING UNITS	
AM PEAK HOUR	
$Ln(T) = 0.80 Ln(X) + 0.26$ $Ln(T) = 0.80 Ln(4,650) + 0.26$ $T = 1,113.98$ or 1,114 Trips	
<u>17% Entering</u> 189 Trips	<u>83% Exiting</u> 925 Trips
PM PEAK HOUR	
$Ln(T) = 0.82 Ln(X) + 0.32$ $Ln(T) = 0.82 Ln(4,650) + 0.32$ $T = 1,400.51$ or 1,401 Trips	
<u>67% Entering</u> 939 Trips	<u>33% Exiting</u> 462 Trips
WEEKDAY	
$Ln(T) = 0.85 Ln(X) + 2.55$ $Ln(T) = 0.85 Ln(4,650) + 2.55$ $T = 16,779.77$ or 16,780 Trips	

TRIP GENERATION ITE CODE 220 APARTMENT 4,650 DWELLING UNITS
--

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

AM PEAK HOUR	
$T = 0.49(X) + 3.73$	
$T = 0.49(4,650) + 3.73$	
$T = 2,282.23$ or 2,283 Trips	
<u>20% Entering</u> 457 Trips	<u>80% Exiting</u> 1,826 Trips
PM PEAK HOUR	
$T = 0.55(X) + 17.65$	
$T = 0.55(4,650) + 17.65$	
$T = 2,575.15$ or 2,576 Trips	
<u>65% Entering</u> 1,674 Trips	<u>35% Exiting</u> 902 Trips
WEEKDAY	
$T = 6.01(X) + 150.35$	
$T = 6.01(4,650) + 150.35$	
$T = 28,096.85$ or 28,097 Trips	

TRIP GENERATION	
RESORT CORRIDOR HOTEL/CASINO	
1,500 HOTEL ROOMS	
150,000 SQUARE FOOT CASINO	
AM PEAK HOUR	
$T = 0.168(X_1) + 4.583(X_2) + 107.789$	
$T = 0.168(464) + 4.583(155.000) + 107.789$	
$T = 892.394$ or 893 Trips	
<u>59% Entering</u> 527 Trips	<u>41% Exiting</u> 366 Trips
PM PEAK HOUR	
$T = 0.290(X_1) + 9.780(X_2)$	
$T = 0.290(464) + 9.780(155.000)$	
$T = 1,651$ Trips	
<u>48% Entering</u> 492 Trips	<u>52% Exiting</u> 859 Trips
WEEKDAY	
$T = \text{PM PEAK HOUR}/0.10$	

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

$T = 1,651/0.10$
T = 16,510 Trips
Where X_1 = Number of Hotel Rooms X_2 = Casino Square Footage in Thousands

TOTAL TRIPS	
AM PEAK HOUR	
Entering 3,345 Trips	Exiting 5,866 Trips
PM PEAK HOUR	
Entering 8,825 Trips	Exiting 6,750 Trips
WEEKDAY	
174,062 Trips	

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

3 Schools

3.a What is the total number of proposed residential units?

Conventional units: 16,000 max.

Age-restricted units: 0

3.b Based upon the student generation factors utilized by Clark County School District¹ what is the estimated number of pupils generated by the proposal which will be added to the enrollment of each of the following:

Elementary School

School name: Proposed (see land use map)

Distance from site²: N/A

Number of pupils: 3,920

Junior High/Middle School

School name: Proposed (see land use map)

Distance from site²: N/A

Number of pupils: 1,968

High School

School name: Proposed (see land use map)

Distance from site²: N/A

Number of pupils: 2,192

¹ See Exhibit 1

² Attach a map indicating the primary route/distance from the proposed project main entry point to the school main access point.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

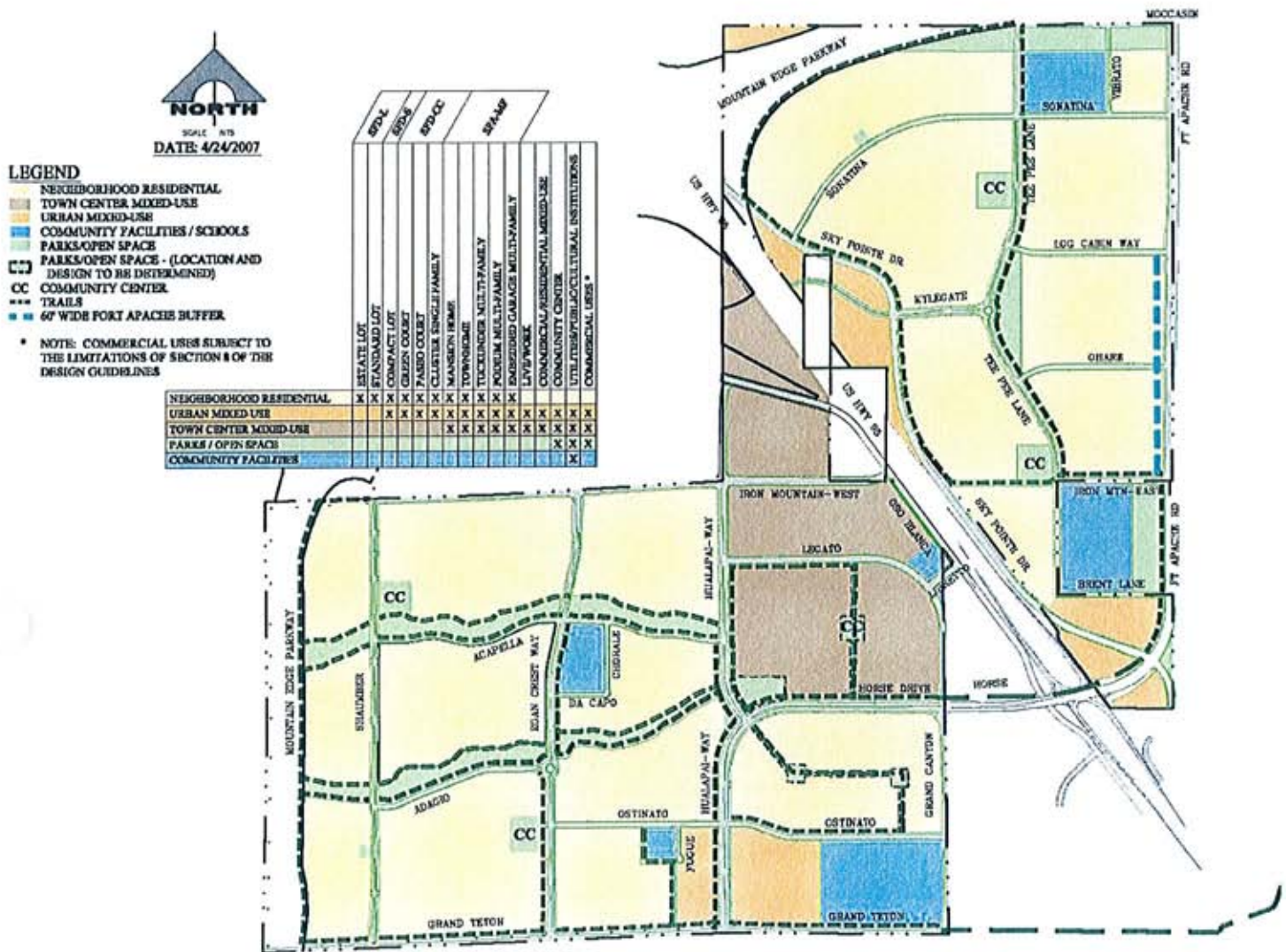


FIGURE 2-1 KYLE CANYON LAND USE PLAN

4 Emergency Services

- 4.a** Provide the distance from the site of the proposal to the nearest facilities from which firefighting, police and emergency services will be provided, including without limitation, facilities of a local government that are planned but not yet constructed, and facilities that have been included in a local government's plan for capital improvements prepared pursuant to NRS 278.0226.

Fire

Name of the facility: Fire Station 41- City of Las Vegas

Existing/proposed: Existing

Distance from site³: 4.51 miles

Police

Name of the facility: Northwest Area Command

Existing/proposed: Existing

Distance from site³: 12.14 miles

Emergency Services

Name of the facility: Mountain View Hospital

Existing/proposed: Existing

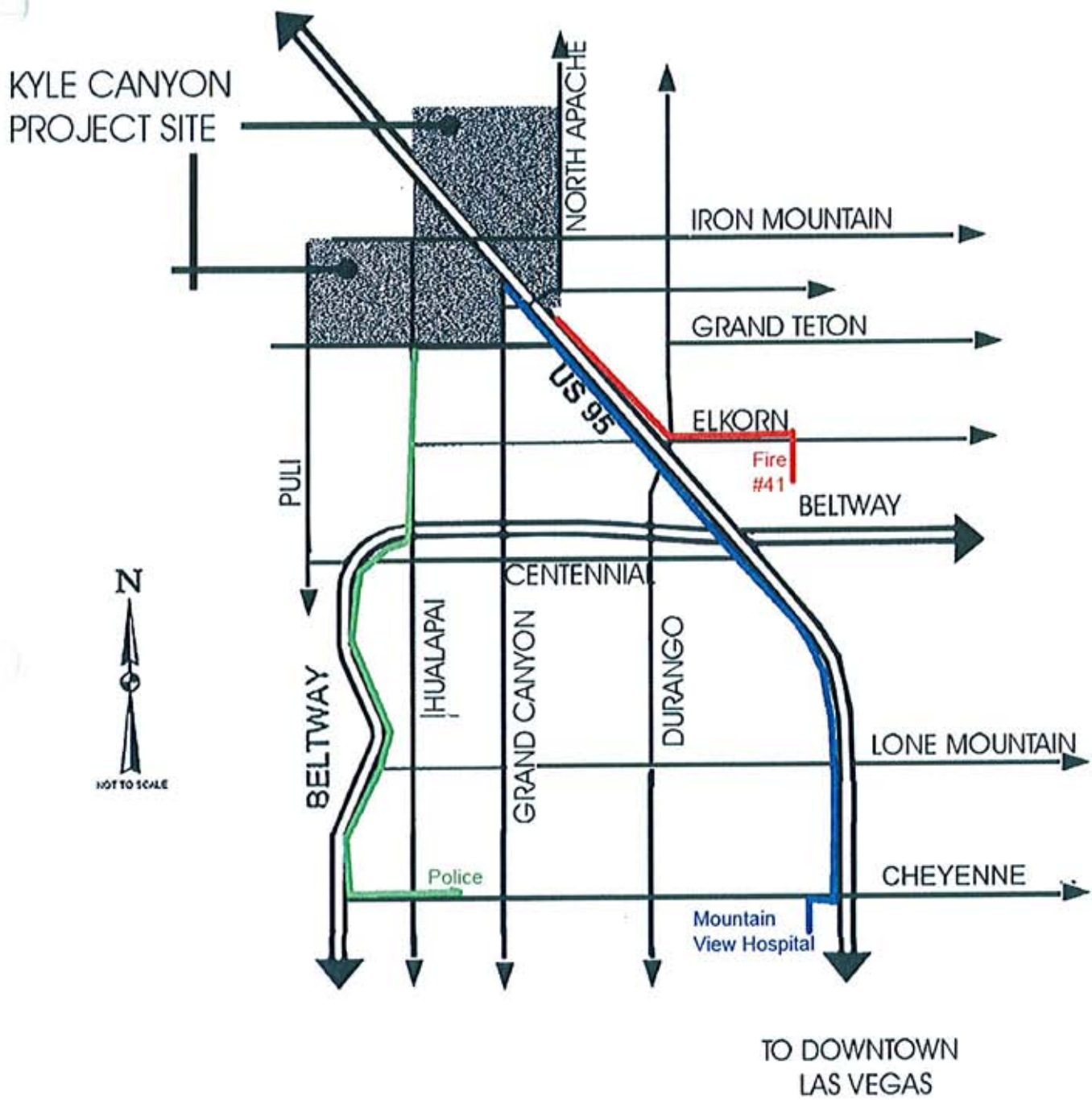
Distance from site³: 8.67 miles

- 4.b** Would the project result in increase for emergency services in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Explain: The project would not produce demand for additional emergency services during the initial development stages. Over time, additional fire services may need to be provided. Police services come from the Northwest Area Command and emergency services would currently be provided from Mountain View Hospital. These may need to be augmented in the future. However, land for new emergency services has been accounted for in civic parcels noted on the Land Use Plan.

³ Attach a map indicating the primary route/distance from the proposed project main entry point to the firefighting, police, and emergency services main access point.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT



5 Housing

- 5.a Would the proposed project conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, rural preservation area, or zoning ordinance)?

Explain: No, the current land use is consistent with the proposed project. The site currently has an existing planned development on the east border. This master plan will be a comprehensive guide to aid all builders and the city in creating an beautiful and efficient use of the land.

- 5.b Would the project displace or eliminate existing housing?

Explain: No. The site is currently undeveloped and will not displace any existing housing.

- 5.c What are the project characteristics, in terms of:

Density: Varies

Height: Varies

Gated community: partialy

Housing Type: All types

Home ownership: Partially

- 5.d Provide a brief statement setting forth the anticipated effects of the proposal on housing.

Explain: The proposal will not affect the housing surrounding the site. It will provide living units for many people looking for housing options in a innovative and comprehensive community.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

6 Mass Transit

6.a Provide the distance from the site of the proposal to the nearest mass transit loading point.

Line number/name: Route 405 - Northwest Circulator

Location: Target Center stop at US 95 and Buffalo

Distance from site⁴: 4 miles

6.b Would the project result in change to the existing mass transit route, creation of a new line, or new loading points?

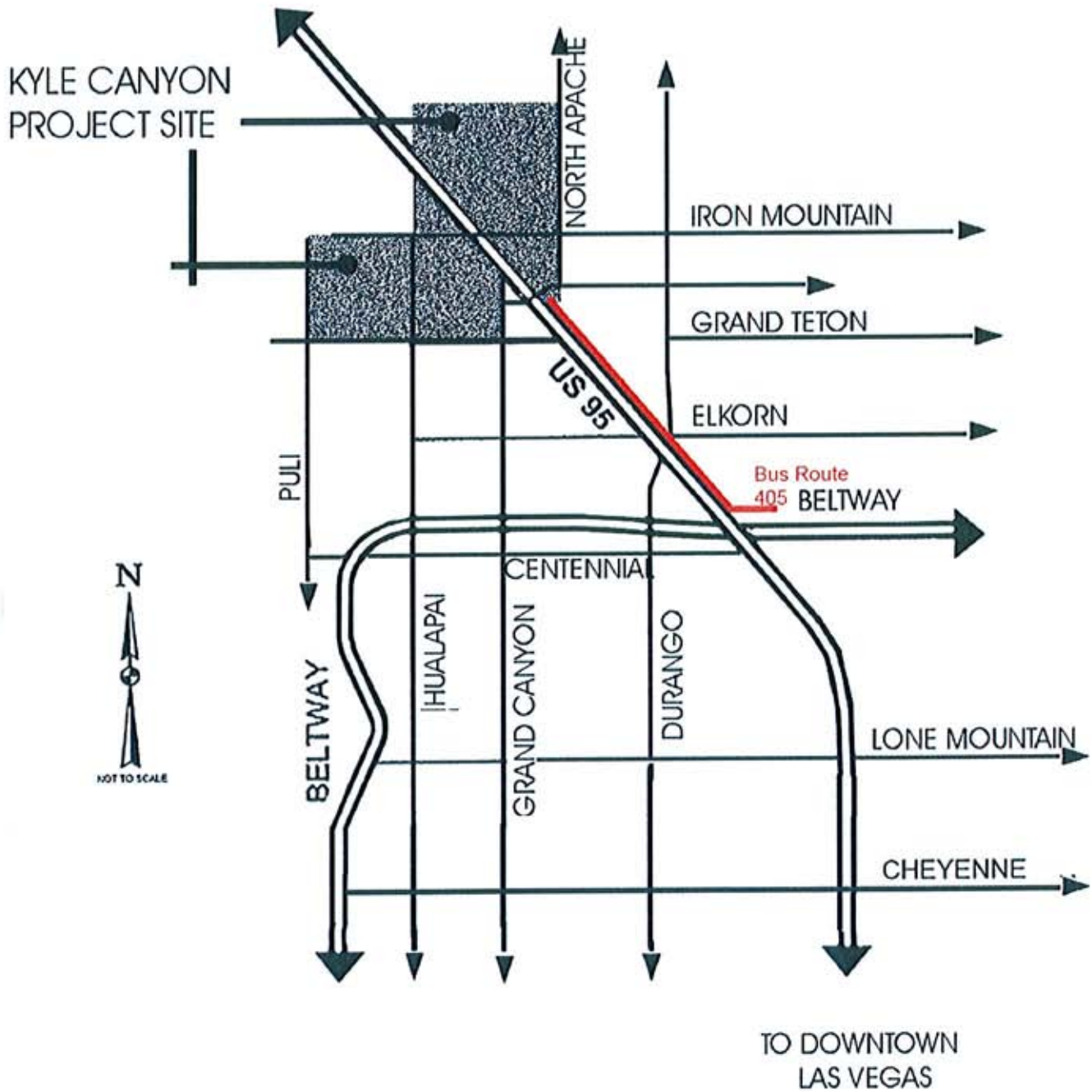
Explain: No, this project is not expected to require a new bus route. However, as the bus system continues to expand, routes may be added that serve this project.

6.c Provide a brief statement setting forth the anticipated effects of the proposal on mass transit.

Explain: This project is not expected to have an effect on the bus system since service is not currently provided to this area.

⁴ Attach a map indicating the primary pedestrian route/distance from the proposed project main entry point to the nearest mass transit.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT



7 Open Space and Recreation

- 7.a Provide the distance from the site of the proposal to the nearest existing⁵ or planned⁶ (as identified by the City of Las Vegas Master Plan – Parks Element, 2000) recreation area as follows:

Neighborhood Park

Park name: Various internal Parks

Location: See land use map

Distance from site⁷: n/a

Community Park

Park name: Proposed Park Jones and Iron Mountain

Location: Jones and Iron Mountain

Distance from site⁷: 8 miles

Regional Park

Park name: Proposed Park Jones and Iron Mountain

Location: Jones and Iron Mountain

Distance from site⁷: 8 miles

-
- 7.b Based upon 1990 US Census population table⁸, what would be the total population generated by the proposed project?

Explain: The exact breakdown of multi family and single family homes has not been determined. The development will have a maximum of 16,000 units that could create a maximum population of 36,480.

-
- 7.c How much public parkland would be included in the proposed project?

Explain: The proposed schools will be sharing ball fields and open areas with neighborhoods. Also an ample amount of park space has been planned for and included in the master plan.

-
- 7.d Provide a brief statement setting forth the anticipated effects of the proposal on open space and recreation.

Explain: The site will be providing trails, open space, and recreation fields for the community. The existing parks should receive minimal impact due to the large amount of park space included in the plan.

⁵ See Exhibit 2

⁶ See Exhibit 3

⁷ Attach a map indicating the straight distance from the project property line to the park property line.

⁸ See Exhibit 4

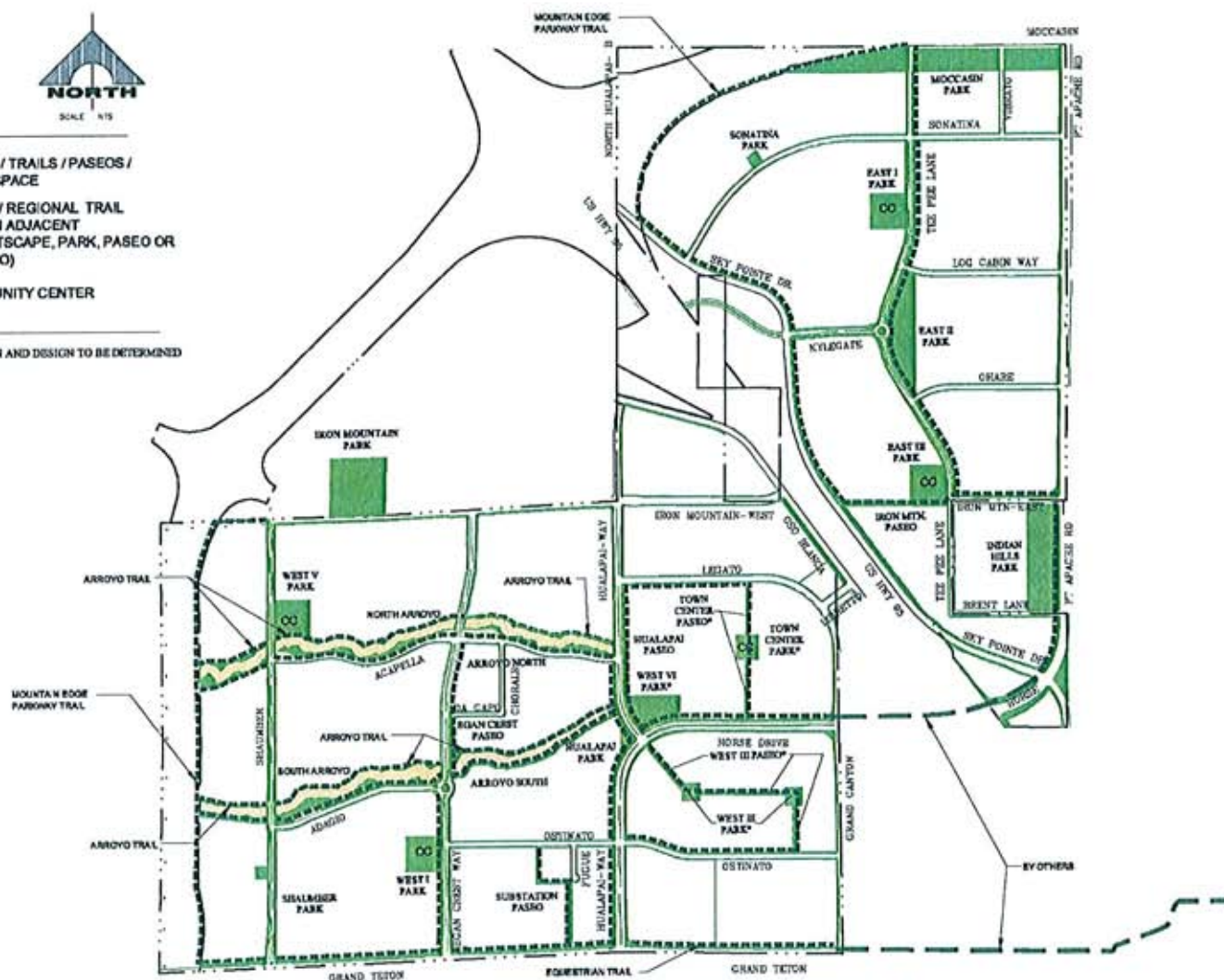
 PARKS / TRAILS / PASEOS / OPEN SPACE

LOCAL / REGIONAL TRAIL
(WITHIN ADJACENT
STREETSCAPE, PARK, PASEO OR
ARROYO)

CC COMMUNITY CENTER

NOTES:

- LOCATION AND DESIGN TO BE DETERMINED



Page 18 of 25

8 Hydrology

8.a Would the proposed project alter the existing drainage pattern of the site area?

Explain: The master drainage plan for the proposed 1,712 acres in this plan shall be submitted to and approved by the City of Las Vegas Department of Public Works prior to the issuance of any permits or recordation of any final maps.

8.b What is the quantity of the increase in storm water runoff generated by the proposed project, estimated by using standards hydrologic method?

Explain: Preliminary data obtained from the City of Las Vegas Northwest Neighborhood Master Drainage Study, Phase 2 show off-site storm flows impacting the project site.

8.c Would the total quantity of water runoff after construction exceed the capacity of existing or planned storm water drainage system?

Explain: The Northwest Study outlines the proposed system to convey storm flows within the Clark County Regional Flood Control District System. The Master Drainage Plan will address the capacity of existing and planned storm water drainage systems and the need to construct interim detention facilities.

8.d Would the proposed project result in the construction of a new storm water drainage facility or the expansion of existing facilities? Is the storm water facility identified in the Neighborhood, City Wide or the Regional Master Plans?

Explain: The Master Drainage Plan will address intercepting additional storm flows from the west and directing into the Moccasin/ Kyle Canyon system; eventually to the Upper Las Vegas Wash detention basin.

8.e Would the proposed project place housing within a 100-year special flood hazard area as mapped on the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM)?

Explain: No, peak flows are being detained in a detention basin. Please see Master Drainage Study.

8.f Would the proposed project require drainage mitigation to protect the development from interim flows?

Explain: The interim condition flows are detained in a detention basin and are routed within the perimeter streets proposed with the project in a manner consistent with the routing patterns established in the Northwest Neighborhood Study Phase 2.

8.g Would the proposed project development meet the Clark County Regional Flood Control District – Hydrologic Criteria and Drainage Design Manual requirements for street flow and dry lane criteria for both the existing and the ultimate flow conditions?

Explain: Yes, all streets will be designed to meet criteria for street flow and dry lane.

9

Water Quality

- 9.a Would water service provided to the proposed project by an existing or planned facility?

Explain: Both, The LVVWD currently provides or has proposed plans to provide water in the 2860,2975,3090 and 3205 Pressure zones.

- 9.b Would the proposed project result in the construction of a new water treatment facility or expansion of existing facilities?

Explain: The LVVWD is currently constructing the 3205 and 3090 Pumping Station and the 2975 reservoir located at Elkhorn Road and Shaumber Road. Pipelines extending to Grand Teton in the 3090 and 3205 Pressure zones are currently in design.

- 9.c What is the quantity of water that the project will demand during and after completion of the project, estimated by applying a demand factor established by the provider of water service or an equivalent calculation to the number of units that will be created by and the gross acreage that will be occupied by the project?

Explain: During construction the site will be developed in phases and within each phase lots will be constructed at different times. The water used during construction will be used for dust control and various other construction needs.

After Completion:					
Total gross acreage of site =	1,712	acres			
Commercial Demand Flow Rate: Avg Day=			2.1	gpm/ac	
Res. Demand Flow Rate: Avg Day=			7.01	gmp/ac	
Therefore:					
Commercial =	80	aces	x	2.1 gpm/ac	= 168 gpm
Residential =	1,020	acres	x	7.01gmp/ac	= 7150.2 gpm
Total =	168	gpm	+	7150	gpm = 7318.2 gpm

10 Utilities and Service System

10.a Would the proposed project connect to an existing or planned sewer system?

Explain: Sewer service to the Master Development Plan area can be provided by extension of several City of Las Vegas sewer lines that border the project.

10.b What is the quantity of sewage affluent generated by the proposed project, estimated by applying a sewage generation factor established by the provider of sewer service or an equivalent calculation to the number of units or area of indoor floor space that would be created by the project?

Explain: Average Flow= 4.265 MGD, Peak Flow= 9.723 MGD

10.c Would the total quantity of sewage effluent generated by the proposed project exceed the capacity of existing or planned sewer system and wastewater treatment facility?

Explain: Depending on identified sewer flow demands within the Master Plan area, upgrades elsewhere in the existing City of Las Vegas system may be needed. A specific study of capacity and topography will determine the extent of connections, extensions, and system capacity upgrades that will be required.

10.d Would the proposed project generate any industrial waste?

Explain: No, the entire project will consist of commercial, retail, and residential and will not be generating any industrial waste.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

EXHIBIT 1

Clark County School District
April 9, 2002

2001-2001 Valley-wide Student Yields

Grade	Student Yield	
	Single-Family	Multi-Family
K-5	0.245	0.163
6-8	0.123	0.066
9-12	0.137	0.062
P & 13	0.004	0.002

Single-Family units include mobile homes and townhouse.

Multi-Family units include a combination of apartments, plexes, and condominiums.

P & 13: Pre-school and Sunset School.

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

EXHIBIT 2

City of Las Vegas
Master Plan – Parks Element
March 15, 2000

Existing City Parks
(Map 1, pp. 11)

Parks Name	Classification			Acres
	N	C	R	
Aloha Shores Park	X			4.03
Angel Park	X			6.11
AnSan Sister City Park	X			7.83
Baker Park	X			6.78
Bob Baskin Park	X			6.18
Bruce Trent Park	X			10.00
Buckskin Basin	X	X		39.17
Charleston Heights Park	X			3.90
Charleston Heights	X			7.12
Chester A. Stupak Park	X			1.23
Children's Mem. Park	X	X		29.82
Coleman Park	X			4.00
Cragin Park	X			3.27
Dexter Park	X			4.70
Doolittle Park	X			15.28
Ed Fountain Park	X	X		29.82
Ethel Pearson Park	X			2.59
Fitzgerald Tot Lot	X			0.70
Freedom Park	X	X	X	68.08
Hadland Park	X			13.64

Parks Name	Classification			Acres
	N	C	R	
Heers Park	X			7.07
Hills Park	X			13.50
Huntridge Circle Park	X			3.14
James Gay III Park	X			7.18
Jaycee Park	X			18.40
Lorenzi Park	X	X	X	59.37
Lubertha Johnson Park	X			1.60
Mary Dutton Park	X			0.20
Mirabelli Park	X			1.41
Pueblo Park(s)	X			5.09
Rafael Rivera Park	X			9.28
Rainbow Family Park	X	X		26.48
Elkhorn/Durango Fields	X	X		
Rotary Park	X			3.34
Stewart Place Park	X			3.45
Wayne Bunker Family Pk	X			13.75
W. Charleston Lions Park	X			4.50
Wildwood Park	X			1.24
Woofter Family Park	X			9.22
Clarence Ray Park	X			0.10

N: Neighborhood Park

C: Community Park

R: Regional Park

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

EXHIBIT 3

City of Las Vegas
Master Plan – Parks Element
March 15, 2000

Planned City Parks
(Map 12, pp. 49)

Parks Name	Classification			Acres
	N	C	R	
Fort Apache/Log Cabin Park	X			TBD
Jones/Iron Mountain Park	X	X	X	TBD
Grand Canyon/Bardley Park	X	X		40.0/34.0
Fort Apache/Elkhorn Park	X			TBD
Elkhorn/Durango Ballfields	X	X		TBD
Deer Springs Park	X	X		110.0/40.0
Deer Springs/Thom Park	X	X		TBD
Regional Sports Park	X	X		60.00
Ann/Cimmaron Park	X			2.50
Cheyenne/Jensen	X	X		20.00
Metro Park	X			17.00
Alexander/Diamond Ridge Park	X			TBD
Cheyenne/Durango Park	X	X	X	5.0/61.5
Northwest Soccer Park	X	X		TBD
Summerlin Sports Park	X			TBD
Pioneer/Silver Ridge Park	X			TBD
AnSan Sister City Park	X			TBD
Buffalo/Oakey Park	X	X		42.5/30.0
Pioneer/O'Bannon Park	X			TBD
Oakey/Redwood Park	X	X		28.00
Heritage Park	X			TBD
Dog Fanciers Park	X			0.5/6.0
Bonanza/Honolulu Park	X			TBD

N: Neighborhood Park C: Community Park R: Regional Park

City of Las Vegas
ENVIRONMENTAL IMPACT ASSESSMENT

EXHIBIT 4

US Census Bureau
1990

Persons per Units by Units in Structure by Owner and Renter Occupied
(City of Las Vegas, US Census Bureau, 1990 STF-1)

Owner Occupied	Persons per Unit
Single Family Detached	2.82
Single Family Attached (Townhouse)	2.14
Condominiums	
2 to 19 units	1.92
20 to 49 units	1.86
50 or more units	1.35
Mobile Home or Trailer	2.05

Renter Occupied	Persons per Unit
Single Family Detached	3.33
Single Family Attached (Townhouse)	2.79
Apartments	
2 to 19 units	2.23
20 to 49 units	1.82
50 or more units	1.76
Mobile Home or Trailer	1.87

EXHIBIT D

TO KYLE CANYON DEVELOPMENT AGREEMENT

PARKS AGREEMENT

(Contained in a Separate Volume)

EXHIBIT E

TO THE KYLE CANYON DEVELOPMENT AGREEMENT

DEVELOPER SPECIAL IMPROVEMENT GUIDELINES

CITY OF LAS VEGAS

DEVELOPER SPECIAL IMPROVEMENT DISTRICT GUIDELINES



December 2, 1992

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CITY OF LAS VEGAS

Developer Special Improvement District Guidelines

Under chapter 271 of Nevada Revised Statutes (NRS), the City is authorized to acquire street, sidewalk, water, sewer, curb, gutter, flood control and other publicly-owned "infrastructure" improvements that benefit new development by the creation of a special improvement district as specified in NRS 271.265. The purpose of these guidelines is to outline the circumstances under which the city will consider this type of financing for new developments involving one or a small number of private property owners who intend on developing their property for residential, commercial, industrial, or other beneficial use.

These guidelines apply to all assessment districts financed under NRS 271.710 through 271.730 and to all other assessment districts which both involve 15 or fewer property owners and involve properties 80% or more of which are unimproved, unless 50% or more of the cost of the project proposed to be funded is being funded from a governmental source other than special assessments or the proceeds of special assessment bonds (e.g., RTC).

The City Council reserves the right, on a case by case basis, to impose additional requirements or waive specific requirements listed herein. Such waived requirements shall be noted in the approval of any petition together with a finding that the deviation from this policy is in the best interest of the City. Additional requirements shall be noted in the approval.

A. Eligible Improvements.

1. Regional Improvements. The City will consider financing only regional infrastructure improvements i.e., regional improvements are those streets, storm drains, water systems, sewer and other utilities, which will provide benefit to the entire project. Such projects are those with respect to which the City Council has made a finding of regional benefit which benefit the general area in which the development is located as opposed to improvements which exclusively benefit a particular subdivision. (Only the portion of the total cost that benefits the special improvement district will be assessed.) Thus, an arterial street or highway or major sewers, storm drains and water lines which provide benefit to the entire project and are found to be of general or regional benefit by the council, would be considered for financing.

2. Public Ownership Requirements. Only publicly owned infrastructure is eligible for financing. Privately-owned improvements such as electric, gas, and cable television improvements, streets or roads which are not dedicated to the City, and private portions of other improvements, such as water and sewer service lines from the property lines to the home or other structure are not eligible for financing.

3. Benefit. The improvements proposed to be constructed must benefit the property assessed by an amount at least equal to the amount of the assessment.

4. Subdivision Improvements. The City will not consider financing "subdivision" or "in-tract" improvements, that is, improvements within a subdivision that benefit only the land within a subdivision such as neighborhood streets.

5. Size. Generally, the City will not consider stand alone assessment districts which involve less than \$2,500,000.

B. Environmental Matters.

1. A Phase 1 environmental assessment (hazardous waste assessment) on the property to be assessed, property on which the improvements are to be located and on any property dedicated to the City, must be provided by the property owner prior to the bonds being issued by the City. The property owner must also provide the City with an indemnification agreement in a form acceptable by and provided by the City, promising to indemnify the City against any and all liability and/or costs associated with any environmental hazards located on property assessed. With respect to abating environmental hazards that are located on property on which improvements financed with the assessment district are proposed to be located or on any property dedicated to the City, the City and the property owner will reach an accord before the bonds are issued. Where the Phase 1 assessment indicates that there may be an environmental hazard on any of the assessed property, the property owner will be required to abate the problem or to post security for environmental clean up costs prior to the City proceeding with the district. The environmental assessment shall be performed by an environmental engineer acceptable to the City.

2. The developer must undertake all steps required by the "Habitat Conservation Plan Compliance Report" or other future federal requirements in the project area and other areas owned by the same developer which are used in connection with the project.

C. Development.

1. Property Owner Experience. The property owner must demonstrate to the City that it has the expertise to develop the property involved in the assessment district. In order to demonstrate its ability to develop, the property owner should furnish the City with the following: (a) its last three years prior audited financial statements, (b) a list of prior development of similar or larger size which the property owner has completed, and (c) a list of references consisting of the names of officials of other political subdivisions in which the property owner has completed similar or larger size developments. The City will accept, in place of financial statements stated in (a) above, a comfort letter from a mutually acceptable CPA firm indicating for the past three

(3) years: (1) that a minimum level of net worth, acceptable to the City, has been maintained; (2) whether or not there have been any material adverse changes in operations; and (3) whether or not there have been any exceptions in the accountant's opinion letter on the property owner's financial statements. If this alternative is utilized, the property owner shall also provide such other financial information as the City and its consultants request.

2. Financing Completion; Equity. The property owner must provide the City with its plan for financing the development to completion and advise the City of the amount of equity it has invested in the development.

3. Land Use. The proposed development must be consistent with the City's General Plan. The property owner must demonstrate that it reasonably expects to obtain the required discretionary development permits (e.g. subdivision) in sufficient time to proceed with the development to completion as proposed. Proper zoning must have been obtained for the development.

4. Water, Sewer, and Other Utilities. The property owner must provide "will serve" or similar letters from the entities providing water, sewer and other utility (e.g., electricity, gas, telephone) services to the development stating that capacity is then in existence and reserved (otherwise to be made available) for the development in a sufficient quantity for the development to proceed to completion as proposed.

5. Other Permits. The property owner must demonstrate that there are no significant permitting requirements (i.e. permitting requirements which could result in substantial delay or alteration in the project as proposed, e.g., wetlands permits, archeological permits, etc.) applicable to the project or other governmental impediments to development which have not yet been satisfied and which are required to be satisfied for the development to proceed to completion as proposed.

D. Assessment Bonds and Bond Security.

1. Primary Security. The primary security for bonds will be the assessment lien on the land proposed to be assessed. A preliminary title report indicating that the petitioners are the owners of all of the assessed property must accompany the petition. The City may also require title insurance on a case by case basis.

2. Reserve Fund. A reserve fund in an amount equal to the lesser of one year's principle and interest on the bonds or 10% of the proceeds of the bonds must be funded at the time bonds are issued.

3. Appraisal Valuation. The property owner must obtain and provide to the City an appraisal of the property which will be assessed which in the case of the appraised value of the property "as is" (prior to further subdivision and without considering the installation of the improvements) is at least equal to the amount of bonds proposed to be issued, and that the value of the property after the improvements financed with the assessment bonds are installed is at least three (3) times the amount of the bonds proposed to be issued. The appraiser must be acceptable to the City.

4. Additional Security. The property owner must demonstrate to the City that there is not significant financial risk to the City in issuing the bonds. If the City determines that it is not adequately protected by the security that is described in section D.1, 2, and 3 above, the City can require additional security. This additional security can be satisfied in one or a combination of the following ways:

(a) Providing a source of security that is acceptable to the City Council and the property owner. The determination of the acceptability of the security shall be discussed with the property owner on a case by case basis.

(b) Providing an irrevocable letter of credit drawn on an acceptable bank in a form and an amount and with a term acceptable to the City.

(c) Pledging marketable securities in which form the City is permitted to invest City funds pursuant to Chapters 355 and 356 of NRS and which are acceptable to the City (e.g., U.S. Treasury obligations) and in an amount that is acceptable to the City. The City must obtain the sole first priority security interest in the pledged securities, and those securities must be held by the City or a City Agent. Interest paid on the pledged securities, if there is not default in paying the assessment, will be paid to the owner of the securities.

A pro-rata portion of the foregoing additional security will be released with respect to any parcel assessed (1) which has been improved in any manner if the appraised value (as determined by an appraiser acceptable to the City) of the parcel is 5.0 or more times the amount of the unpaid assessment on such parcel or (2) on which a substantial improvement (e.g., a home or commercial building) has been completed if the parcel has a size of one acre or less or (3) to the extent that property is conveyed to one or more third-party property owners, then a proportionate amount of the foregoing additional security shall be released with respect to such conveyed property so long as such conveyed property does not exceed, in the aggregate, thirty percent (30%) of the entire property included within the district; provided, however, that any individual parcel conveyed to each such third-party property owner shall have a minimum value-to-lien ratio of 3:1.

5. Payment of Assessments: Capitalized Interest. The assessments shall be payable over not more than 20 years in substantially equal semiannual installments (excluding variable rate bonds with regards to equal payments) commencing within one year of the levy of assessments. The City will allow not more than two years of interest or the maximum permitted under federal tax laws, whichever is less, to be capitalized.

6. Absorption Study. The property owner must provide the City with funds with which to have an expert to prepare an absorption study. The City and property owners shall mutually agree upon the expert who is to prepare this study illustrating the economic feasibility of the project based upon supply and demand trends and estimated conditions in the market area for the proposed product mix. Provided, however, that if the appraiser of the real property for the project conducts his or her own absorption analysis, such absorption study may be accepted in lieu of this requirement.

7. Floating Rate Bonds. The City will consider applications for floating rate assessment bonds only if those bonds and the assessments underlying those bonds automatically convert to a fixed interest rate at or before the time the initial property owner sells property, regardless of whether the sale is wholesale sale to a merchant builder or a developer or a sale to a potential homeowner. Floating rate bonds must be secured by a letter of credit issued by a bank acceptable to the City.

8. No Pledge of General Fund or Taxing Power. The City will not pledge its general fund or taxing power to bonds.

9. Bond Underwriting Commitment. The property owner must demonstrate to the City and its financial advisor that bonds proposed to be issued for the financing are saleable. Prior to the time the City commences work on the assessment district, the property owner must provide the City with a letter from a reputable underwriter or bond buyer, acceptable to the City, which states that the underwriter has completed a due diligence review of the project and the property owner and believes that the bonds are marketable at an interest rate acceptable to the property owner based on then prevailing market conditions and that is willing, subject to reasonable conditions precedent, to contract with the City to underwrite the bonds on a best efforts basis, or that the bond buyer has completed a due diligence review of the project and the property owner and intend to acquire the bonds at an interest rate which the bond buyer and property owner agree is acceptable and that it is willing, to contract with the City to so acquire the bonds.

E. Consultants. The City will permit the property owner to choose the consulting engineers and underwriter provided that the entities chosen are acceptable to the City. The City will select the assessment engineer, project management engineer, its financial consultants, bond counsel and bond trustee. The payment of all fees and expenses of these consultants (selected by the City) shall be the responsibility of the property owner; however, these consultants will be responsible to, and will act as consultants to, the City in connection with the district.

F. Expenses. The property owner will be required to pay out of its own pocket all of costs of the project prior to the time bonds are issued, including the costs of consulting engineers, assessment engineers, project management engineers, underwriters, the City's financial consultants, the City's bonds counsel, the cost of preparing the appraisals, absorption study, environmental review and other matters listed above. These items will be eligible for reimbursement from bond proceeds if the bonds are ultimately issued; however, the property owner must agree to pay these costs even if bonds are not issued. At the time of application, the City will provide an estimate for these expenses in order to enable the developer to more precisely anticipate costs associated with the process.

G. Project Acquisition. The City will acquire completed projects after final inspection by the City, an audit by the City assessment engineer and City staff, and acceptance by the City. Alternatively, the City will expend bond proceeds through a City-established progress payment system on uncompleted projects utilizing a construction payment management system. If this alternative is used, performance and payment bonds from a bonding company acceptable to the city, each in an amount at least equal to 100% of the cost of the project, and otherwise in such form as is approved by the Department of Public Works and the City Attorney must be provided to the City and must each indicate that the City is a beneficiary of those bonds. Additional construction security, as determined appropriate by the Department of Public Works and City Attorney, may be required.

H. Cost Overruns. The property owner must agree to fund all project costs which exceed the amount available from the proceeds of the bonds issued for the project. The City will not commit to issue additional bonds or otherwise provide funding for any such cost overruns.

I. Procedure.

1. Pre-Application Meeting. Initially, the property owner shall schedule a meeting with such representatives of the City as are designated by the City Manager to review the proposed development to discuss whether the development is one which may be eligible for financing under these guidelines.

2. Application. If the property owner decides to proceed after the initial meeting, all owners of record of property in the proposed district must sign a petition for the district and file the petition and an application which contains sufficient information and exhibits to demonstrate that the proposed district will comply with parts A-H of these guidelines. Copies of the petition and application must be filed with the office of the Director of Finance and the office of the Director of Public Works.

3. Council Approval. If after an initial review, the City staff believes the application satisfies parts A-H hereof, an item will be placed on the Council's agenda authorizing negotiations with respect to the proposed project. If this item is approved by the Council, it is anticipated that staff will be authorized to begin negotiating the particulars of the financing with the property owner and other appropriate parties.

4. Security for Costs. Prior to entering negotiations, the property owner must post a letter of credit, surety bonds, cash or other acceptable form of security for payments of the costs described in F above in an amount determined by the Director of Finance. The interest on the security will be paid to the developer. The City shall invest such security according to NRS 355 and 356.

EXHIBIT F
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
RESIDENTIAL LAND USE TABLE
AND
PLANNING AREA MAP



LEGEND

A PLANNING AREA

CC COMMUNITY CENTER

--- PLANNING AREA

SFD-L Single Family Detached - Large Lot
Estate Lot
Standard Lot

SFD-S Single Family Detached - Small Lot
Compact Lot

SFD-CC Single Family Detached - Court and Cluster
Green Court
Paseo Court
Cluster Single Family

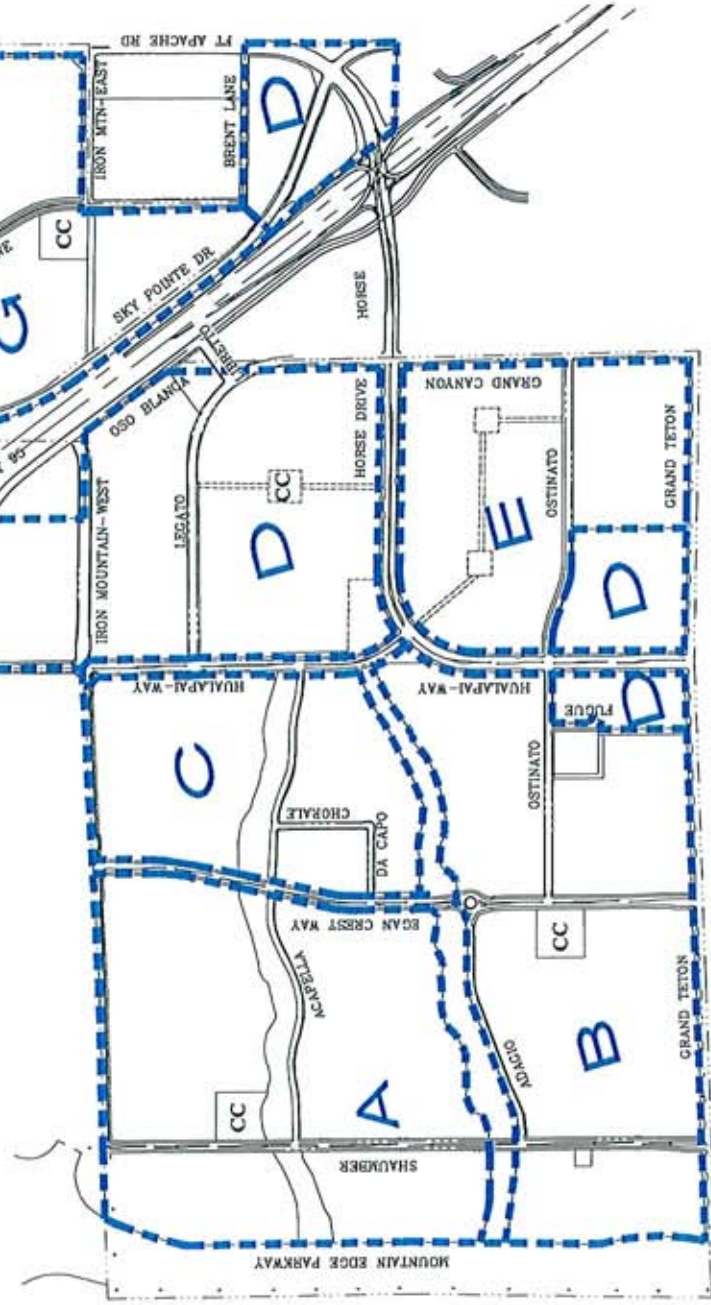
SFA-MF Attached Single Family and Multi-family
Mansion Home
Townhome
Tuckunder Multi-Family
Embedded Garage Multi-Family

KYLE CANYON RESIDENTIAL LAND USE

MAXIMUM PERCENTAGE OF TOTAL RESIDENTIAL UNITS

PLANNING AREA	TOTAL RESIDENTIAL UNITS*	SFD-L	SFD-S	SFD-CC	SFA-MF
A	2000	25	40	40	55
B	2200	25	45	40	50
C	1050	45	20	20	75
D	4500	0	30	30	100
E	1750	0	30	30	100
F	2650	20	55	40	45
G	1850	20	40	50	50

*Up to 10 percent of the Total Residential Units in each Planning Area may be shifted to other Planning Areas.



KYLE CANYON PLANNING AREAS AND RESIDENTIAL LAND USE

EXHIBIT G
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
DRAINAGE, TRAFFIC AND WASTEWATER
MASTER STUDIES

[ON DISK]

EXHIBIT H
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
NORTHERN BELTWAY
SECTION 1 LAND

NORTHERN BELTWAY

OWNER	ACRES
FOCUS - BELTWAY	56.1

Note: Acreages are approximate
BLM PROPERTY

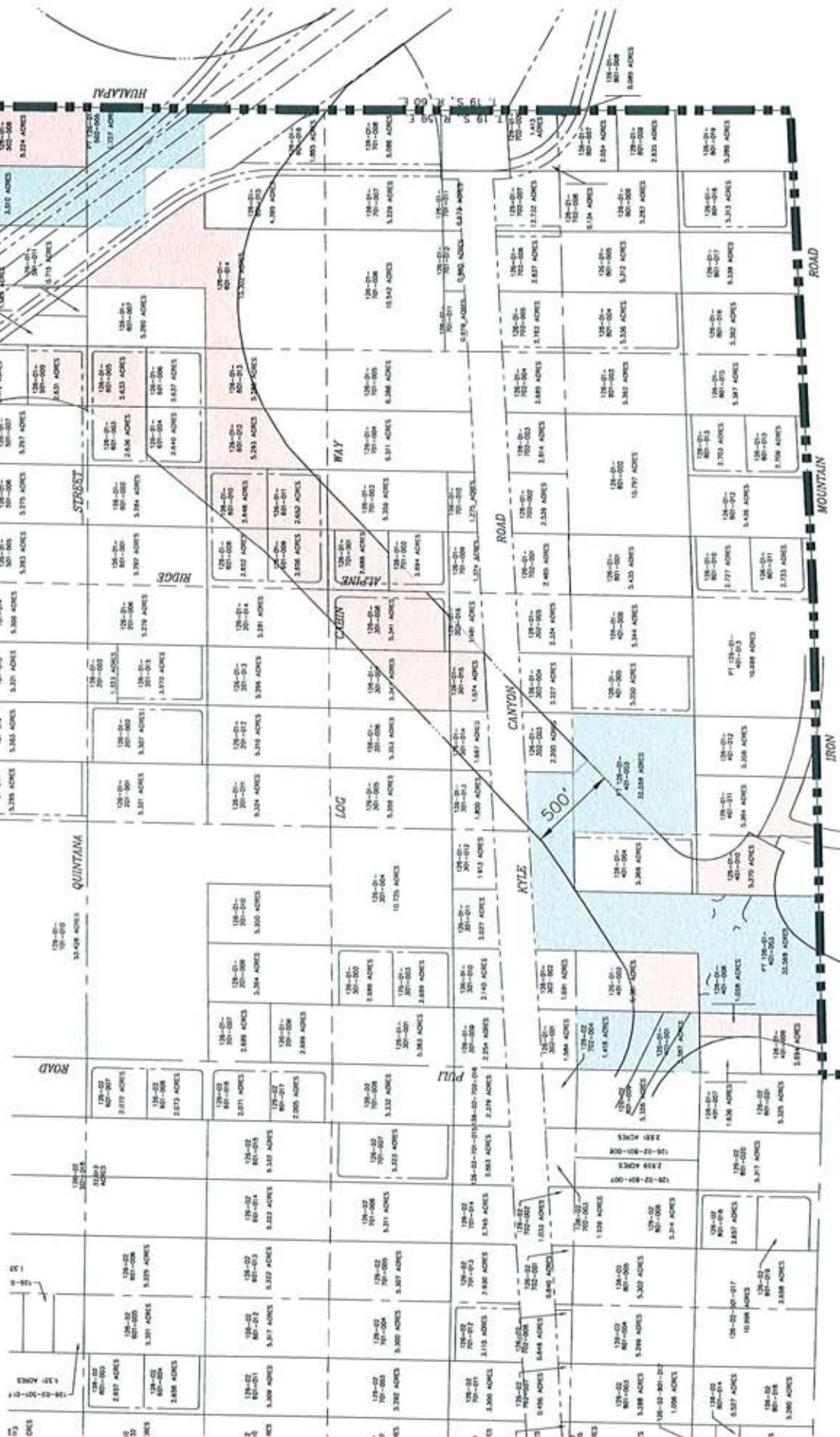


EXHIBIT H - SECTION 1 LAND

EXHIBIT I
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
NORTHERN BELTWAY
PROVIDENCE LAND

NORTHERN BELTWAY

KYLE CANYON MASTER PLANNED COMMUNITY

LEGEND



NORTHERN BELTWAY RIGHT OF WAY
AFFECTING PROVIDENCE PROPERTY

CLIFFS EDGE, LLC HOA COMMON AREA PARCEL
AFFECTED BY NORTHERN BELTWAY

GRAND TETON

KB HOME

SHAUMBER

PROVIDENCE MASTER PLANNED COMMUNITY

126-13-
117-077
126-13-
110-015

EXHIBIT I - PROVIDENCE LAND

EXHIBIT J
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
NORTHERN BELTWAY
ON – PROPERTY LAND

NORTHERN BELTWAY

LEGEND

-  KYLE
-  NORTHERN BELTWAY DEDICATION
-  NDOT - US 95

 NORTH
SCALE 1" = 100'

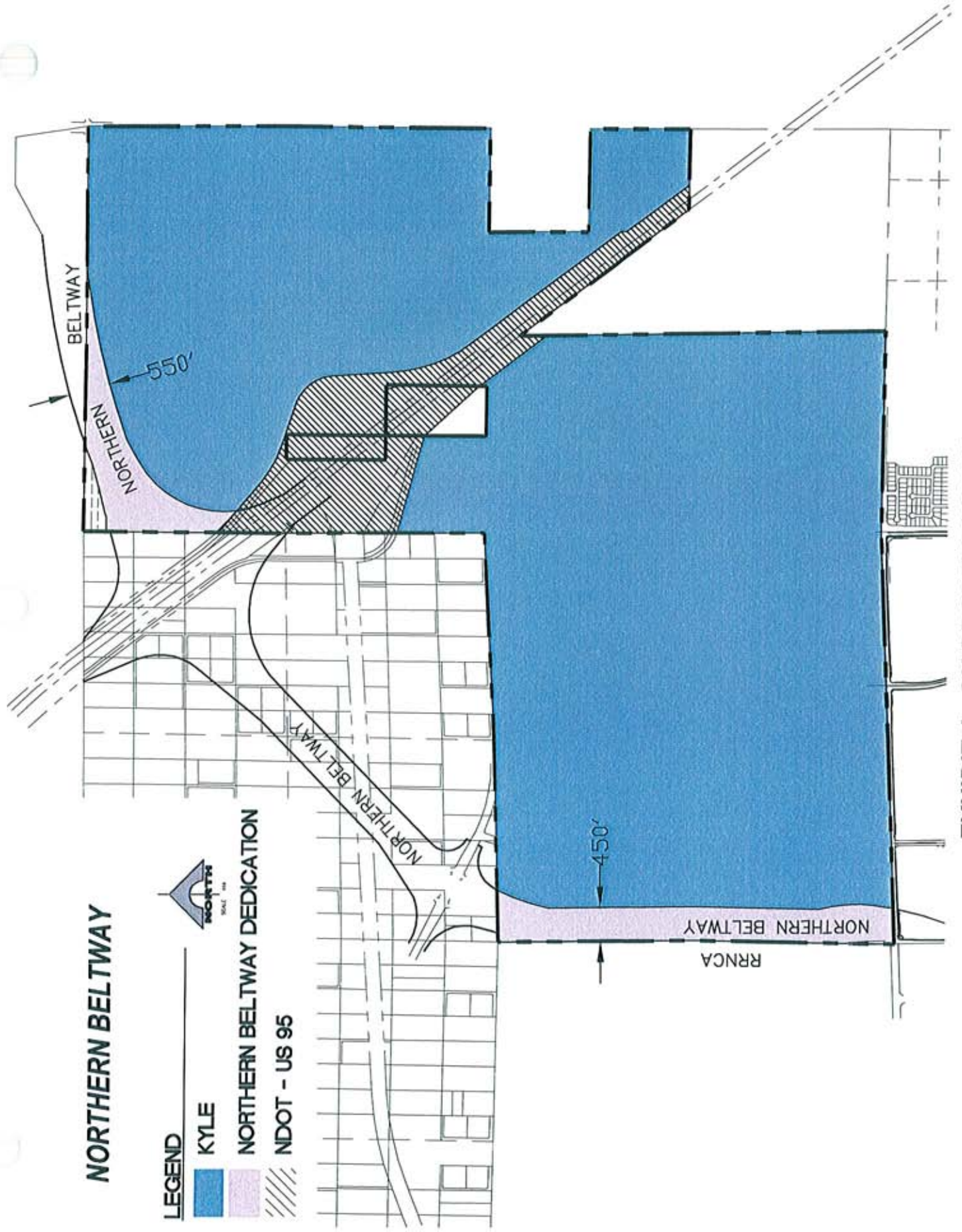


EXHIBIT J - ON-PROPERTY LAND

EXHIBIT K
TO THE KYLE CANYON DEVELOPMENT AGREEMENT
NORTHERN BELTWAY
ROW

NORTHERN BELTWAY

LEGEND

▨ NORTHERN BELTWAY RIGHT OF WAY

